

2009 THIRD QUARTER REPORT
July 1 – September 30, 2009



**NORTON SOUND ECONOMIC
DEVELOPMENT CORPORATION**

420 L Street, Suite 310
Anchorage, AK 99501
Phone: (907) 274-2248
Fax: (907) 274-2249

Table of Contents

I. Quarterly Highlights	2
II. Outreach	3
A. Employment	4
Employment Data Form	4
Employment Summary	5
Training Data Form	8
Training Summary	8
III. Administration	8
A. Board Activities	8
Board of Director Meetings	8
Substantial Decisions	9
IV. Harvesting Report	10
A. CDQ Harvest Management	10
Pollock	10
Pacific Cod	10
Atka Mackerel/Pacific Ocean Perch	10
Yellowfin Sole, Flathead Sole and Rock Sole	11
Greenland Turbot	11
Sablefish	11
Halibut	11
Bering Sea Opilio Crab	12
Norton Sound Red King Crab	12
Bristol Bay Red King Crab	12
Eastern Aleutian Islands Golden King Crab	12
St. Matthew Blue King Crab	12
Bering Sea Bairdi Crab	12
B. IFQ Harvest Management	13
Sablefish	13
Halibut	13
Bering Sea Opilio Crab	13
Bristol Bay Red King Crab	13
Eastern Aleutian Islands Golden King Crab	13
Bering Sea Bairdi Crab	13
V. Board of Directors Second Quarter Meeting Minutes (Attachment 1)	13
VI. Board of Directors Special Meeting Minutes (Attachment 2)	13
VII. Confidential Issues	13
A. Financial Statements	13

I. Quarterly Highlights

- The NSEDC Board of Directors held its 2009 second quarter meetings in Nome from July 28-31, 2009.
- Scholarships totaling \$316,334 were awarded to 163 residents.
- Twenty-nine residents of NSEDC member communities and other Alaska communities worked on the *F/V Pacific Glacier*, *F/V Alaska Ocean*, and the *F/V Norton Sound* earning a total of \$249,720 in wages.
- Four Gambell residents participated in an NSEDC sponsored driver's education "Behind the Wheel" course.
- Twelve Savoonga residents participated in an NSEDC sponsored crab pot building class.
- In July, Joel Cladouhos was hired as an Accountant. Joel will be working in the accounting department at the NSEDC offices in Anchorage.
- In September, Roy Ashenfelter was hired as the CDQ Harvest Manager. Roy will be working out of the NSEDC offices in Nome.
- Paul Ivanoff III was promoted to the position of Community Benefits Director in September. Paul will continue to work out of the NSEDC offices in Unalakleet.
- Eighty-nine summer interns were hired by NSEDC and placed throughout NSEDC/NSSP operations.
- Jaclyn Ivanoff was hired as an Accounting Assistant. Jaclyn will be working in the accounting department at the NSEDC offices in Anchorage.
- 317,802 pounds of Open Access Norton Sound red king crab was delivered to NSSP in Nome by twenty-three fishermen who received \$1,007,292 for their harvest.
- 15,673 pounds of CDQ red king crab was delivered to NSSP in Nome by four fishermen who received \$50,706 for their harvest.
- Eighty-eight fishermen delivered 978,490 pounds of salmon to NSSP receiving a total of \$1,024,998.
- A total of 120,490 pounds of halibut was caught between the Nome and Savoonga plants during the quarter. Nine fishermen delivered 94,810 pounds to NSSP in Nome and twelve fishermen delivered 25,680 pounds to the Savoonga plant. The fishermen received \$375,486 for their harvest.
- 1,535,770 gallons of fuel purchased through NSEDC's Consolidated Bulk Fuel Program was delivered to twenty-five program participants throughout the quarter.
- NSFR&D conducted Clean Waters Program operations in Stebbins, St. Michael, Brevig Mission, Gambell, and Diomed.
- NSEDC distributed the 2008 annual report to all NSEDC member community box holders in August.
- The following applicants were selected as the 2009 Small Business Initiative grant awardees: Adams Northwest Driving Instruction, Bearing Song, Idele's Sub-Shop & Eatery, Snowflake Multimedia, and Western Alaska Sawmill. In total, awardees received \$105,000.
- NSEDC Board of Directors held a workshop to discuss the Outside Entity Funding Program from September 10-11, 2009.

II. Outreach

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

- NSEDC Board of Directors held its 2009 second quarter meetings in Nome, Alaska July 28-31, 2009; these meetings were open to the public.
- NSEDC Board of Directors notified residents of the 2009 second quarter meetings by placing an ad in The Nome Nugget.
- NSEDC placed seven newspaper advertisements during the quarter.
- NSEDC staff hosted Fishermen's Fairs in Elim, Koyuk, and Nome.
- NSFR&D staff met with a number of groups to conduct educational outreach focused on junior high and high school aged students – participating in field trips detailing salmon projects and fertilization activities. NSFR&D staff also gave a lecture to UAF's Elder Hostel Program which is composed of older students.
- NSFR&D staff met with fishermen from Brevig Mission and Teller interested in longline fishing, distributing three sets of longline gear in each community.
- NSFR&D staff attended a meeting with the Alaska Department of Fish and Game, Bureau of Land Management, and the Native Village of Unalakleet to discuss a proposed resistance board weir and other possible projects in Unalakleet.
- NSEDC continued to update the organization's website (www.nsedc.com) from which constituents can access quarterly reports, newsletters, applications, and information regarding opportunities with NSEDC.
- NSEDC has Community Outreach Liaisons in thirteen of its member communities with Community Benefits Director Paul Ivanoff III serving Unalakleet and the NSEDC Nome Office serving Nome. The NSEDC liaisons are sent informational fliers, applications, and other information to circulate within their communities on behalf of NSEDC.

Table 1
EMPLOYMENT DATA FORM
September 30, 2009

	Q1		Q2		Q3		Q4		Year-to-Date
	People	Wages	People	Wages	People	Wages	People	Wages	Wages
Management/Administrative									
NSEDC	12	\$ 159,427.30	11	\$ 197,681.39	13	\$ 211,433.37			\$ 568,542.06
NSSP	5	\$ 72,527.84	6	\$ 59,181.51	14	\$ 140,324.63			\$ 272,033.98
Total Management/Administrative	17	\$ 231,955.14	17	\$ 256,862.90	27	\$ 351,758.00			\$ 840,576.04
CDQ Pollock Related									
A/B Season	13	\$ 93,468.99	20	\$ 122,042.87	28	\$ 246,466.96			\$ 461,978.82
C/D Season	0	\$ -	0	\$ -	0	\$ -			\$ -
Total Pollock Related	13	\$ 93,468.99	20	\$ 122,042.87	28	\$ 246,466.96			\$ 461,978.82
Total NSSP Employment	2	\$ 708.76	56	\$ 81,015.67	166	\$ 438,584.68			\$ 520,309.11
Other NSEDC Employment									
Skippers, Deckhands, Shoreside, etc.	0	\$ -	15	\$ 35,090.00	29	\$ 394,486.78			
Total Other NSEDC Empl.	0	\$ -	15	\$ 35,090.00	29	\$ 394,486.78			\$ 429,576.78
Other Fishing									
GFC - Longline	2	\$ 16,939.24	2	\$ 12,909.80	1	\$ 3,253.10			\$ 33,102.14
Aleutian No. 1	0	\$ -	0	\$ -	2	\$ 12,785.00			\$ 12,785.00
O/A Norton Sound Winter Red King Crab	5	\$ 20,073.00	3	\$ 5,271.00	0	\$ -			\$ 25,344.00
O/A Norton Sound Red King Crab	0	\$ -	0	\$ -	23	\$ 1,007,292.05			\$ 1,007,292.05
CDQ Red King Crab	0	\$ -	0	\$ -	4	\$ 50,706.29			\$ 50,706.29
Norton Sound Salmon	0	\$ -	0	\$ -	88	\$ 1,024,997.94			\$ 1,024,997.94
Norton Sound Herring	0	\$ -	6	\$ 16,055.10	0	\$ -			\$ 16,055.10
NSEDC CDQ Halibut	0	\$ -	0	\$ -	21	\$ 375,485.65			\$ 375,485.65
Total Other Fishing	7	\$ 37,012.24	11	\$ 34,235.90	139	\$ 2,474,520.03			\$ 2,545,768.17
NSEDC Community Outreach Liaisons	13	\$ 19,500.00	13	\$ 19,500.00	13	\$ 19,500.00			\$ 58,500.00
Interns									
NSEDC Administration	0	\$ -	2	\$ 1,822.33	3	\$ 15,103.68			\$ 16,926.01
NSEDC Salmon Rehab.	0	\$ -	10	\$ 27,178.14	5	\$ 42,113.27			\$ 69,291.41
Alaska Dept. of Fish & Game	0	\$ -	2	\$ 4,309.09	2	\$ 18,410.17			\$ 22,719.26
Fisheries Development	0	\$ -	3	\$ 4,558.12	79	\$ 434,809.84			\$ 439,367.96
Total Interns	0	\$ -	17	\$ 37,867.68	89	\$ 510,436.96			\$ 548,304.64
GRAND TOTALS	52	\$ 363,145.13	149	\$ 586,615.02	491	\$ 4,435,753.41			\$ 5,405,013.56
NSEDC =	25	\$ 178,927.30	56	\$ 290,139.07	144	\$ 1,135,857.11	0	\$ -	\$ 1,604,923.48
NSSP =	12	\$ 93,309.60	71	\$ 161,523.28	316	\$ 3,037,391.24	0	\$ -	\$ 3,292,224.12
Partners =	15	\$ 110,408.23	22	\$ 134,952.67	31	\$ 262,505.06	0	\$ -	\$ 507,865.96

Employment Summary

Management/Administrative –Twenty-seven employees were employed by NSEDC/NSSP at various offices in the region, with thirteen employees located in the administrative offices in Anchorage during the quarter.

CDQ Pollock – Glacier Fish Company paid wages to twenty-eight residents of NSEDC member communities or other Alaskan communities who were employed aboard the *F/V Pacific Glacier* and the *F/V Alaska Ocean* during the quarter.

Community Breakdown:

- 13 employees from Unalakleet
- 2 employees from Stebbins
- 2 employees from Anchorage
- 2 employees from Shishmaref
- 2 employees from St. Michael
- 1 employee from Brevig Mission
- 1 employee from Kotlik
- 1 employee from Kaltag
- 1 employee from Eagle River
- 1 employee from Teller
- 1 employee from Nome
- 1 employee from Shaktoolik

NSSP Employment – One hundred sixty-six residents were employed during the third quarter.

Community Breakdown:

- 74 employees from Unalakleet
- 49 employees from Nome
- 10 employees from Elim
- 10 employees from Savoonga
- 6 employees from Shaktoolik
- 4 employees from Stebbins
- 3 employees from Koyuk
- 3 employees from Anchorage
- 2 employees from St. Michael
- 1 employee from Brevig Mission
- 1 employee from Kotzebue
- 1 employee from Marysville, WA
- 1 employee from Anchor Point
- 1 employee from Tanacross

Other NSEDC Employment – There were twenty-nine other NSEDC employees in the third quarter.

Community Breakdown: 7 employees from Unalakleet
4 employees from Shaktoolik
4 employees from Nome
4 employees from Golovin
2 employees from Savoonga
1 employee from Belfair, WA
1 employee from Anchorage
1 employee from Bothell, WA
1 employee from St. Michael
1 employee from Wasilla
1 employee from Little Diomed
1 employee from White Mountain
1 employee from Elim

Other Fishing - One resident of a member community was employed aboard the *F/V Norton Sound* during the quarter.

Community Breakdown: 1 employee from Shishmaref

There were no residents employed aboard the *F/V Glacier Bay* during the quarter.

Twenty-three fishermen delivered 317,802 pounds of Open Access Norton Sound red king crab to NSSP during the quarter.

Community Breakdown: 12 fishermen from Nome
4 fishermen from Shaktoolik
4 fishermen from Unalakleet
1 fisherman from Naknek
1 fisherman from Golovin
1 fisherman from Elim

Four fishermen delivered 15,673 pounds of NSEDC CDQ red king crab to NSSP during the quarter.

Community Breakdown: 4 fishermen from Nome

Eighty-eight fishermen delivered 978,490 pounds of salmon to NSSP during the quarter.

Community Breakdown: 43 fishermen from Unalakleet
24 fishermen from Shaktoolik
15 fishermen from Elim
3 fishermen from Koyuk
2 fishermen from Golovin
1 fisherman from Nome

Twenty-one fishermen delivered 120,490 pounds of NSEDC CDQ halibut to NSSP during the quarter.

Community Breakdown: 12 fishermen from Savoonga
9 fishermen from Nome

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 Diomedede
1 liaison from Savoonga
1 liaison from Gambell
1 liaison from Elim
1 liaison from Golovin

Interns – There were eighty-nine internship positions sponsored by NSEDC during the third quarter.

Community Breakdown: 15 interns from Brevig Mission
14 interns from St. Michael
14 interns from Stebbins
11 interns from Unalakleet
7 interns from Nome
7 interns from Gambell
6 interns from Little Diomedede
5 interns from Shaktoolik
3 interns from White Mountain
2 interns from Golovin
2 interns from Elim
1 intern from Anchorage
1 intern from Greenville, NC
1 intern from Teller

Training Data Form

Table 2
TRAINING DATA FORM
July 1 thru September 30, 2009

	People	Quarter Expenditures	People	Year-to-Date Expenditures
Scholarships				
Post-Secondary	146	\$280,334.00	270	\$510,169.00
Vocational	17	\$36,000.00	45	\$92,000.00
Voc-Tech				
Basic	0	\$0.00	0	\$0.00
Advanced	0	\$0.00	0	\$0.00
Other Training				
Fisheries Related	0	\$0.00	1	\$1,006.00
CDQ Staff	0	\$0.00	0	\$0.00
CDQ Board	0	\$0.00	0	\$0.00
Other	16	\$5,083.32	56	\$21,154.16
TOTAL	179	\$321,417.32	372	\$624,329.16

Training Summary

One hundred sixty-three students received funding for post-secondary and vocational education in the third quarter. Twelve Savoonga residents participated in the Savoonga crab pot building class. Four residents participated in Gambell's "Behind the Wheel" driver's education course.

III. Administration

A. Board Activities

Board of Director Meetings

The NSEDC Board of Directors held its 2009 second quarter meetings in Nome from July 28-31, 2009.

The NSEDC Board of Directors held a special meeting at the Westmark Hotel in Anchorage from September 10-11, 2009.

Substantial Decisions

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

- The Board adopted Corporate Resolution 09-07 regarding the Community Energy Fund (CEF). The fund's purpose is to set aside monies for allocation to each of NSEDC's fifteen member communities (a maximum amount of one million dollars). These funds are to be used for assistance with the installation and construction of upgrades to community power generation and distribution systems, alternative/renewable energy projects, and adjustments to existing power systems. The CEF program promotes the development of safe, reliable, and efficient energy systems that are feasible, sustainable, and environmentally sound, supporting the goal of reducing the energy costs for residential customers and community facilities of the Norton Sound region.
- The Board considered its Northern Communities Fishery Development Plan and proposed work for the 2009 season, adding close to \$140,000 to its budget for the purchase of longline fishing gear, boats, and charter work to begin assessment activities of the Port Clarence area for halibut, cod, and other fisheries resources.
- The Board adopted changes to the NSEDC Education Foundation (Foundation) Bylaws at the request of the Foundation's Board of Directors as proposed by the Executive Director Barb Nickels. Changes include the addition of Shismaref as an eligible community for Foundation activities, as well as amendments to add Vice Chairman and Treasurer designations on the Foundation Board. Other changes are to the wording of the bylaws that allow for the revisions mentioned above, omitting the section that spoke to the election of a temporary chair if the chairman is absent.
- The Board addressed the Class A Siu Board of Directors seats that expire this year. The NSEDC Board directed staff to advertise/announce two (2) Siu board seat vacancies and to invite interested individuals to submit a letter of interest and resume to the NSEDC Board. The NSEDC Board will then select an individual from the interested individuals to fill the vacancies at the annual shareholder's meeting in November 2009.
- Dean "Chon" Peterson, Board representative from Golovin, introduced Peter Olson and the Golovin Rock Quarry project. Golovin Native Corporation requested NSEDC funding to supplement existing capital acquired to complete the feasibility analysis of opening a rock quarry eight miles east of Golovin. The Board approved the request in its entirety.
- In response to slow fishing region-wide and a temporary ceasing of purchasing crab by Norton Sound Seafood Products early in the season, the Board approved a staff recommendation to give fishermen the option to decrease the loan deduction cap from 50% to 25%. In

addition to vessel and gear loans, NSEDC finances early-season fuel as well as bait throughout the season and then deducts portions of settlements from deliveries.

- The Board directed staff to move forward with the preliminary survey for the proposed Nome inner-harbor small boat ramp. This survey would provide the scope of work and baseline cost information for construction of the boat ramp. The survey will be conducted north of the existing barge ramp on the west side of the harbor.
- The Board conducted a workshop to discuss the policies for administering the Outside Entity Funding Program. Changes were made to the review process and the allocation of funds.

IV. Harvesting Report

A. CDQ Harvest Management

During the third quarter of 2009, NSEDC conducted a number of CDQ and IFQ fisheries including the B season pollock and cod fisheries, Atka mackerel/Pacific Ocean Perch, the start-up of Arrowtooth flounder/Greenland turbot target fishery in the Bering Sea, and sablefish, halibut and East Aleutian Islands golden king crab for both IFQ and CDQ.

Pollock

The *F/V Alaska Ocean* (AO) and the *F/V Pacific Glacier* (PG) commenced pollock fishing in the B season on June 10 and completed the harvest of both CDQ and open access quota pollock on September 24. The AO and PG together harvested about 10, 727 metric tons of pollock on behalf of NSEDC in the B season fishery. Overall bycatch of salmon, PSQ species and other CDQ species was minimal.

Pacific Cod

The *F/V Norton Sound* (NS) and *F/V Glacier Bay* (GB) prosecuted the directed fishery for CDQ Pacific cod in the B season starting on July 22 and continuing until August 15, at which time the vessels started fishing in the open access B season. The NS and GB together harvested about 613 metric tons of CDQ cod on behalf NSEDC so far during the B season fishery. At the time of the CDQ Manager's reporting, the vessels had another 580 metric tons of CDQ cod remaining to harvest. The open access fishery is expected to be completed in late October at which time CDQ fishing for NSEDC will commence once again.

Atka Mackerel/Pacific Ocean Perch

The *F/V Seafreeze Alaska* (SFA), harvested about 260 metric tons of CDQ mackerel in the western area (Regulatory Area 543), about 46 metric tons of CDQ mackerel in the central area (area 542), about 44 metric tons of CDQ POP in the eastern area (area 541) and smaller amounts of both CDQ mackerel and POP in each of the three areas during the quarter. The bycatch of PSQ species, in the past primarily halibut, and other CDQ species was minimal.

Aleutian Pribilof Island Community Development Association (APICDA) transferred their remaining quotas of Atka mackerel and POP to NSEDC in each of the three areas for harvest by the SFA.

The SFA is expected to resume fishing and operations targeting CDQ mackerel and POP during the fourth quarter and complete the harvest of the NSEDC and APICDA quotas.

Yellowfin Sole, Flathead Sole and Rock Sole

There was no significant directed harvest of CDQ yellowfin sole, flathead sole or rock sole during the third quarter.

Greenland Turbot

The *F/V Ocean Alaska* (OA) commenced targeted trawl fishing operations for Arrowtooth flounder in combination with Greenland turbot during the quarter. The OA harvested about 430 metric tons of Arrowtooth flounder and 34 metric tons of Greenland turbot.

The bycatch of PSQ species, primarily halibut, and other CDQ species including other flatfish has been minimal.

Sablefish

There has been a small amount of sablefish of CDQ harvested in the Bering Sea during the quarter. It has been reported to NSEDC that sablefish fishing has been very slow in the Bering Sea.

Earlier in the year, NSEDC had transferred 38 metric tons of Bering Sea sablefish CDQ to Yukon Delta Fisheries Development Association (YDFDA) for harvest by the *F/V Lisa Marie*, and 75 metric tons of Aleutian Islands sablefish CDQ to Bristol Bay Economic Development Corporation (BBEDC) for harvest by the *F/V Judi B*.

Halibut

The local fishing fleet based out of Savoonga and Nome combined to harvest 142,267 pounds of CDQ halibut in Area 4D/E during the quarter and year to date through October 7. The local harvest commenced at the end of July and is currently still underway. The fishing effort really picked up after the crab fishery in Norton Sound was closed in the middle of September.

The original quota allocated to NSEDC was 141,210 pounds, of which the entire amount was made available for the local fisheries in the region. NSEDC received transfers of CDQ halibut in Area 4E from BBEDC netting NSEDC an additional 79,294 pounds of quota and thus providing 220,504 pounds of CDQ halibut for the year to NSEDC fishermen.

NSEDC entered into a harvesting agreement with the *F/V Shemya* to take approximately 30,000 pounds of CDQ halibut in 4D. The remaining amount of 48,000 pounds is still available to the local fisheries.

Bering Sea Opilio Crab

There was no harvest of CDQ opilio crab during the quarter. The opilio fishery opens on October 15 but the harvest will most likely commence in January or February 2010. The NSEDC Allocation of CDQ opilio for the 2009/10 season is approximately 864,306 pounds.

Norton Sound Red King Crab

There was no harvest of CDQ red king crab in Norton Sound during the quarter. The local fleet harvested the entire quota of 28,125 pounds (both NSEDC and YDFDA quota) during the second quarter.

Bristol Bay Red King Crab

There was no harvest of CDQ Bristol Bay red king crab during the quarter. This red king crab fishery opens October 15 and harvest will commence immediately. NSEDC has contracted with the Sea Boats LLC owned by Coast Villages Region Fund (CVRF) to harvest the entire quota on NSEDC's behalf. In order to facilitate the harvest, NSEDC will transfer the quota to CVRF. The NSEDC allocation of CDQ red king crab for 2009/10 is 288,162 pounds.

Eastern Aleutian Islands Golden King Crab

The *F/V Aleutian No. 1* harvested 22,000 pounds of CDQ golden king crab (brown crab) on the second trip during the quarter. This CDQ crab was harvested along with IFQ crab. The CDQ crab was delivered on September 22 to Westward Seafoods for processing and sales by the Crab Broker.

St. Matthew Blue King Crab

There was no harvest of CDQ St. Matthew blue king crab during the quarter however the fishery has been opened for the first time in ten years. The NSEDC allocation is 16,338 pounds.

Bering Sea Bairdi Crab

There was no harvest of CDQ bairdi crab during the quarter. The bairdi crab fishery also opens on October 15 but will not really get underway until later in the year or early 2010. The western portion of the bairdi fishery has been closed this year and no quota was issued. The eastern portion of the NSEDC allocation for 2009/10 is 24,300.

B. IFQ Harvest Management

During the third quarter, NSEDC managed fishing operations and harvest of individual fishing quotas (IFQs) in the sablefish fishery in the GOA, halibut fishery in the regulatory area 3B, and crab fisheries of the BSAI.

Sablefish

There was no harvest of IFQ sablefish during the quarter. The remaining 11,063 pounds in the Central Gulf will be harvested during the fourth quarter before the fishery closes on November 15.

Halibut

The *F/V Provider* harvested the remaining 5,865 pounds of quota during the quarter. The entire amount of IFQ halibut in 3B has now been harvested.

Bering Sea Opilio Crab

There was no harvest of IFQ opilio crab during the quarter.

Bristol Bay Red King Crab

There was no harvest of IFQ Bristol Bay red king crab during the quarter.

Eastern Aleutian Islands Golden King Crab

The *F/V Aleutian No. 1* harvested IFQ golden king crab (brown crab) in two trips during the quarter along with CDQ crab. The A share IFQ crab was delivered to UniSea Inc. in Dutch Harbor for processing under a share match with Royal Aleutian Seafoods IPQ. The B share IFQ was delivered to Westward Seafoods along with the CDQ under a separate agreement.

Bering Sea Bairdi Crab

There was no harvest of IFQ bairdi crab during the quarter.

V. Board of Directors Second Quarter Meeting Minutes (Attachment 1)

VI. Board of Directors Special Meeting Minutes (Attachment 2)

VII. Confidential Issues

A. Financial Statements

ATTACHMENT 1
NSEDG Board of Directors
Second Quarter Meeting Minutes



FILE COPY

Serving the fisheries of the Bering Strait Region

Brevig Mission Diomede

Elim Gambell Golovin Koyuk Nome Saint Michael Savoonga Shaktolik Stebbins Teller Unalakleet Wales White Mountain

Norton Sound Economic Development Corporation
Second Quarter Board of Directors' Meeting
BSNC Boardroom, Nome, Alaska 99762
July 30 & 31, 2009 1:00 p.m.

CALL TO ORDER

NSED C Board Chairman Dan Harrelson called the NSED C Second Quarter Board of Directors' Meeting to order at 1:04 p.m. on July 30, 2009.

ROLL CALL

Present at the meeting were Mary Menadelook, Frank Oxereok Jr., Reggie Barr, Joe Garnie, Don Stiles, Dan Harrelson, Dean Peterson, Charles Saccheus Sr., Elvina Naranjo, Harvey Sookiayak, Frank Katchatag, Victor Joe, and Wilfred Katcheak. Absent were Joel James and Truman Kava, who was excused due to a hospital visit. Staff present were: Janis Ivanoff, Simon Kinneen, Rick Walicki, Virginia Nashalook, Aggie Blandford, Charlie Lean, Wes Jones, Rich Ferry, Galsy Ashenfelter, Jon Zuck, Paul Ivanoff III, Kevin Keith, Tiffany Martinson, William Johnson, Kathy Wheelehan, and Jerry Ivanoff. Public present were Margaret Russell, Adem Boeckmann, Rita Smith, Isaiah Towarak, Louie Green Jr., and Laurie McNicholas.

INVOCATION

Elvina Naranjo gave the invocation.

APPROVAL OF AGENDA

Chairman Harrelson added the Golovin Rock Quarry Proposal as item 3 under New Business and CEO's Evaluation as item 4. Joe Garnie requested an executive session to discuss personnel issues and under Charlie Lean's Written Report, a test fishery in Teller and Brevig Mission.

Frank Oxereok Jr. made a motion to approve the agenda as amended. Harvey Sookiayak seconded the motion. The motion passed.

APPROVAL OF MINUTES

Harvey Sookiayak made a motion to approve the NSED C Board Meeting Minutes of April 23, 2009 and June 23, 2009, as a block. Dean Peterson seconded the motion. The motion passed.

PUBLIC COMMENTS

NSED C Board Chairman welcomed public comments but advised comments, derogatory in nature, won't be tolerated.

Louie Green Jr. addressed the Board about the Nome Election, and provided documentation of the last election.

"NSED C will participate in and encourage the clean harvest of all Bering Sea fisheries to promote and provide economic development through education, employment, training and financial assistance to member communities and Western Alaska, while protecting subsistence resources."

Tim Smith read and provided a letter from Senator Murkowski. In response, Chairman Harrelson suggested Tim provide a written list of questions for our written reply.

Isaiah Towarak noted \$1 million dollars for the wind project in Unalakleet was appropriated in April. He gave an update on the project and said they are hoping to get the wind turbines in September. Chairman Harrelson thanked Isaiah for the report and asked him to keep us posted. Isaiah thanked NSEDC for their funding.

Adem Boeckmann agreed with Louie on the issue of the Nome Election and having clear guidance on who can participate and vote.

PRESIDENT'S REPORT-Dan Harrelson

NSEDC Corporate Chairman Dan Harrelson gave the NSEDC's President's Report.

Truman Kava joined the meeting at 1:23 p.m. and was excused to go to the hospital.

Chairman Harrelson stated he could not have any more confidence in the staff as he works with Janis and Simon on a daily basis. He voiced his pleasure to work with Janis Ivanoff, as NSEDC's CEO, and expressed his confidence in her ability. He noted the positive comments provided during the community outreach meetings throughout the region. Wilfred Katcheak asked if the harvesting agreement with YDFDA to harvest 14% of their pollock was finalized. It is still being worked on. The Aleutian #1 is ready to harvest brown crab.

CEO's REPORT-Janis Ivanoff

Janis went over the 2008 audit report, NSEDC Education Foundation, personnel issues, community outreach meetings, fishermen meetings, and the Elim and Koyuk Fishermen's Fairs.

FINANCIALS/INVESTMENT PORTFOLIO

1. 2008 Audit Update

Rick Walicki gave the 2008 NSEDC Audit Update, which has been completed.

SIU ALASKA CORPORATION-John Eckels

John Eckels didn't make it from Anchorage yet, so we moved on to the Managers' Reports.

Chairman Harrelson welcomed Jon Zuck back. He is the interim CDQ Harvest Manager until a replacement for Simon Kinneen is found.

Eric and Wilma Osborne entered at 1:30 p.m. Joel James joined the meeting at 1:25 p.m.

MANAGERS REPORTS

1. CDQ Management-Jon Zuck

Jon Zuck gave the NSEDC CDQ Management Report noting cod bycatch was a little high in the "A" Season, adjustments were made. Jon noted that cod prices are way down, so the ex-vessel prices are low also. In regards to pollock, Chairman Harrelson asked about the health of the stocks and the bycatch issues. Jon went over the co-ops in place.

Paul Korchin arrived at 1:38 p.m. Rich Ferry and Harry Muktoyuk entered at 1:39 p.m.

We took a break at 1:42 p.m. and reconvened at 1:53 p.m. Truman Kava arrived back from the hospital at 1:50 p.m.

2. Southern and Northern NSSP

a. Middy Johnson

William Johnson gave the Southern NSSP Report. He went over the herring and salmon operations for 2009. Chairman Harrelson asked about the black topping around the plant in Unalakleet. Quality Asphalt will do the work around the plant when they are done doing the runway. Chairman Harrelson asked about the damage to the mast of the F/V Golovin Bay, noting that the aluminum around the top was only 1/8" in width. He wondered about hiring a maintenance person for the four tender vessels. We don't have a facility to house the vessels, but this summer, UNC built a marine service center in Unalakleet and there is a lot of local talent. Chairman Harrelson wished Middy a good year and said to keep up the good work.

b. Rich Ferry

Rich Ferry introduced and thanked Harry Muktoyuk for his hard work as the NSSC Plant Foreman. Rich said we have a good workforce because of the NSEDC Board's decision to assist with housing. Residents are employed from throughout the region. He gave an update on the summer crab season noting the low meat fill in the crab. About 35% of the crab quota has been harvested. We received our first shipment of halibut from Savoonga. We have buyers in Alaska and California. The price has not been settled. Chairman Harrelson asked about the target for our halibut and the possibility of fillets. Rich informed him that we need to do some upgrades to the plant to allow processing both crab and halibut products.

John Eckels arrived at 2:06 p.m.

Chairman Harrelson spoke to the development of a user agreement for use of our tenders to assist our membership with their freighting needs. Rich said the plan is to assist with fisheries related freight activity. Chairman Harrelson encouraged the Board to tour the new vessel, which will be back from Golovin tomorrow. Chairman Harrelson thanked Harry for his hard work at the plant.

We moved back in our agenda to the Siu Alaska Corporation Report.

Siu Alaska Corporation CEO John Eckels gave an update of the transfers, which are quite significant, and on his activities. He went over the PS Fisheries ownership and quota. We own 100% of the Pacific Star, which is being chartered by NOAA to do surveying off the coast of California. John is exploring a longer term agreement with NOAA. He covered the activity of the Aleutian #1. Twenty five percent of ownership went to our skippers and 25% to the Bering Sea Women's Group. He went over the plan for harvesting our crab, the work of the longliners and pollock boats. John Eckels and Dan Harrelson now sit on the Glacier Fish Company Board. The next Siu Alaska Corporation meeting is scheduled for August 14, 2009. Joe Garnie asked John who was on the GFC Board and the length of their terms and about the location of the meeting on August 14, 2009, which is in Anchorage.

3. Written Reports

Chairman Harrelson noted the written reports in the packet with updates.

1. Community Benefits Department-Tiffany Martinson

Don Stiles thanked Tiffany Martinson and Katie Peterson for their time working with NSEDC. Chairman Harrelson also didn't want to see Tiffany go but wished her the best in the NSHC HR Department. He asked about the work with Teller and the alternative boat ramp in Nome.

Charlie Lean noted it is not possible to put a ramp in the outer portion of the harbor and it is most cost feasible to put it in the inner harbor. There was discussion about which budget it would come out of, Shoreside or NSSP, how the city came up with an estimate of \$500,000, the location of the ramp and ensuring due diligence is done before moving forward. Chairman Harrelson thanked Tiffany for all her hard work.

2. EET Department-Jerry Ivanoff

Jerry noted that he would provide a preliminary report on the April 5-15, 2009 FSOC Expense Summary, as all the bills are not in yet, specifically billing from NSHC. Chairman Harrelson noted the ever-increasing use of our scholarships. Jerry informed the board the entire \$600,000 will be utilized in 2009. Funds from elsewhere in the NSEDC EET Budget may need to be used to cover the overage, but we will not go over the NSEDC EET Budget for 2009. Jerry thanked the NSEDC Board for their support of the students of our region. With over three million dollars awarded from 1992-2009, we have made a tremendous economic impact throughout the whole region.

3. HR Department-Camille Cruz

There were no questions.

4. NSFR&D-Charlie Lean

Chairman Harrelson asked Charlie to cover the Teller Test Fishery. Charlie provided a handout on the Port Clarence Fisheries Feasibility Study. The test fishery will be from north of Sledge Island up to Fairway Rock near Little Diomedede where the halibut resource looks most promising. Our target is to provide this new fishery for the local people of Wales, Teller, Brevig Mission, and Little Diomedede. Janis Ivanoff asked about getting data collected this season. Chairman Harrelson asked for input from the board members in these areas. Joe Garnie recommended adjusting the budget for gas. Elvina suggested getting a couple of GPS. Reggie Barr mentioned Brevig Mission's interest in halibut fishing. Mary Menadelook wasn't aware of any interest in Diomedede. Frank Oxereok Jr. noted Wales' residents are interested in this type of study, specifically he knew of two people. There was discussion about leasing local vessels and their availability, having residents in those areas do the surveys or contracting someone who owns a vessel and liability issues if we purchased a vessel for their use. Considering most vessels are in use for subsistence fishing there was discussion about purchasing vessels then making them available for purchase through the loan program once the survey is complete.

Don Stiles made a motion to purchase four vessels for this test fishery at \$25,000.00 for each vessel. Charles Saccheus seconded the motion.

Dan Harrelson asked if FR&D's budget would cover the survey. Their budget would need revised. Charlie will work out the details of what data we want from the survey. Elvina Naranjo asked if the survey may require more than \$137,000. Joe noted minor repair on the loader to put the boats in the water. Chairman Harrelson clarified the plan is to send one vessel to each of the four communities.

The motion passed unanimously.

John Boyle joined the meeting at 2:30 p.m.

Frank Oxereok Jr. asked if Joe would be willing to include Wales in the Fishermen's Group. Joe and Frank will talk together on this issue.

We took a break at 3:11 p.m. The meeting reconvened at 3:26 p.m.

COMMITTEE REPORTS

1. Executive Committee Report

Chairman Dan Harrelson gave the NSEDC Executive Committee Report.

Don Stiles made motion that a resolution be drafted for approval and presented later in the meeting to provide \$1,000,000 for each of our member communities for the community energy fund needs in the region. Harvey Sookiayak seconded the motion.

Janis asked and Don confirmed his motion includes the proposal presented by staff.

The motion passed.

Reggie Barr made a motion that we endorse the NSEDC Executive Committee recommendation to set up a workshop for the Outside Entity Funding and the Allocation of Funding. Frank Oxereok Jr. seconded the motion. The motion passed.

2. Rules & Bylaws Committee Report

Chairman Don Stiles gave the NSEDC Rules & Bylaws Committee Report.

Frank Oxereok Jr. made a motion to endorse the recommendations of the NSEDC Rules and Bylaws Report. Elvina Naranjo seconded the motion. The motion passed.

3. Scholarship Committee Report

Chairman Victor Joe gave the NSEDC Scholarship Committee Report.

4. NSSP Working Group Report

Chairman Joe Garnie gave the NSSP Working Group Report.

5. Fisheries Development Committee Report

Chairman Charlie Saccheus Sr. gave the NSEDC Fisheries Development Committee Report.

The meeting recessed at 4:06 p.m. until 9:00 a.m. on July 31, 2009.

On July 31, 2009, the NSEDC 2009 Second Quarter Board Meeting reconvened at 9:05 a.m. For the record, all the board members were present.

Don Stiles made a motion to pass NSEDC Resolution 09-07, the Community Energy Fund. Frank Oxereok Jr. seconded the motion.

Harvey Sookiayak added the word "private" before "non-profit" in reference to NSEDC.

The motion passed unanimously.

6. Finance Committee Report

Chairman Dan Harrelson gave the NSEDC Finance Committee Report.

Joe Garnie asked if we would review the Siu Alaska Corporation Board Seats and the S. Rieger Proposal. They will be covered in executive session.

Wilfred Katcheak made a motion to approve the NSEDC Finance Committee Report with all its recommendations. Elvina Naranjo seconded the motion. The motion passed.

NSEDC FINANCIALS

Rick Walicki presented the NSEDC Financials for the second quarter of 2009.

OLD BUSINESS

1. Salmon Bycatch Update

Simon Kinneen gave the salmon bycatch update. Chairman Harrelson asked for clarification on the timeline of reporting to our member communities on salmon bycatch. He recommended the information be presented earlier so communities have more time to prepare their positions. Joe Garnie asked for clarification on the fish returning to Western Alaska. Simon provided information on the returns. Frank Katchatag mentioned a proposal to add four seats of the tribal councils to the NPFMC. Chairman Harrelson noted this request has been forwarded to Senator Murkowski and Senator Olson. There was discussion about forming a committee to represent NSEDC on this issue at the NPFMC meetings. Janis stated Simon Kinneen does a great job at the NPFMC meetings. Simon said the committee could also discuss other fishery issues.

We took a break at 9:44 a.m. The meeting reconvened at 9:58 a.m.

2. NSEDC Education Foundation Bylaws

Chairman Harrelson introduced and welcomed Barb Nickels to address the NSEDC Education Foundation Bylaws.

Barb Nickels, NSEDC Education Foundation President and Executive Director, requested revisions to the NSEDC Education Foundation Bylaws. Barb presented the requested changes.

Don Stiles made a motion to adopt the NSEDC Education Foundation Bylaws Changes. Frank Oxereok Jr. seconded the motion. The motion passed.

3. Personnel Issues-Executive Session

Elvina Naranjo made a motion to go into executive session to cover personnel issues, Siu Alaska Corporation, the Steve Rieger Proposal, and the NSEDC CEO Evaluation at 10:04 a.m. Victor Joe seconded the motion. The motion passed.

Frank Oxereok Jr. made a motion to return to regular session at 11:39 a.m. Harvey Sookiayak seconded the motion. The motion passed.

NEW BUSINESS

1. Siu Class A Board Seats: (2) One-Year Term Seats

Chairman Harrelson stated there are two one year term seats open. Janis Ivanoff provided a handout and described the options for filling the seats.

Reggie Barr made a motion to adopt option #3 for the selection of these two seats. Frank Oxereok Jr. seconded the motion.

Wilfred Katcheak asked Janis confirmed the two individuals in option #1 could be included in the selection.

Question was called and the motion passed unanimously.

Option three directs staff to advertise the two seats inviting individuals to submit letters of interest and their resumes. The board would select from those individuals.

2. Annual Board Retreat & Training

After the NSEDC Annual Meeting, the board has a retreat and training. Chairman Harrelson asked the board for their input on the topics for training. In the past we've had board ethics and financial training. Don Stiles recommended the timing for this retreat and topics be at the call of the NSEDC Board Chairman.

3. Golovin Rock Quarry

Dean Peterson and Peter Olson presented the Golovin Rock Quarry Project. Golovin did a lot of research finding there is a lot of marketable product, which could be sold world-wide. Dean brought up the benefits of the quarry; it is less expensive than Nome rock and would provide a lot of jobs. Peter went over the need for a feasibility study for short and long term use. Chairman Harrelson asked if the request is for \$207,283. Peter went over the financial planning and contributions from GNC, Kawerak, and URS. Chairman Harrelson asked about the employment projected with this project. Peter informed the board they plan to train and employ local people utilizing their own resources to collect the material. Chairman Harrelson noted the erosion control needed by Golovin due to global warming.

Harvey Sookiayak made a motion to approve the Golovin Rock Quarry Proposal. Frank Katchatag seconded the motion.

Don Stiles noted this proposal is coming in out of cycle. He supports the proposal, but does not want to get in the habit of addressing proposals out of cycle. He asked where the funds would come from. Janis Ivanoff informed him we would have to do a budget amendment and noted the contributions of the Golovin Native Corporation and Kawerak.

The motion passed unanimously.

4. CEO Evaluation

This was covered in executive session.

OTHER BUSINESS

No other business was presented.

PUBLIC COMMENTS

Louie Green Jr. addressed the board on the upcoming NSEDC Member Representative Elections. He provided a copy of the judgment from the Tim Smith lawsuit in regard to our communities' elections and documentation from Nome's last election. He noted the rules of the election, pointing out some of them have changed. He requested NSEDC Executive Staff stick to the rules.

Tim Smith addressed the board stating he does not want to submit his questions in writing. Chairman Harrelson thanked the public for their comments, again asked Tim to submit his questions in writing and stated he would provide the answers to him and the Board of Directors. Tim felt the answers should come from staff, not the Board of Directors. Tim expressed his opinion about the accuracy of NSEDC minutes and asked that his comments be incorporated in the minutes.

Adem Boeckmann said he doesn't think excluding anyone in the upcoming election could help this corporation.

BOARD COMMENTS

Dean Peterson thanked the board for supporting the Golovin Rock Quarry Proposal, as it will benefit everyone in the region.

Joe Garnie thanked the board for the northern test fishery.

Frank Katchatag thanked the board for everything they do for the salmon and crab fisheries.

Charlie Saccheus thanked staff and board for all their hard work. He thanked NSEDC for the community benefit share and the bulk fuel program, adding they make things easier.

Harvey Sookiayak thanked Janis and her staff for providing our fishermen with their needs.

Frank Oxereok Jr. thanked Janis and staff for their hard work. He is happy to see everyone benefit from NSEDC.

Don Stiles thanked the board and staff for establishing the Community Energy Fund. He looks forward to seeing our communities develop solutions to their energy needs.

Wilfred Katcheak and Truman Kava had no comment.

Victor Joe thanked the board for their work and for the Community Energy Fund.

Reggie Barr thanked the board for the clean water program in Brevig Mission. He was thankful for attending the NPFMC Meeting and planned to do so again. He agreed with Tim Smith that NSEDC is putting money where ADF&G should be doing so.

Joel James thanked Chairman Harrelson for his work, as he is the right person for the job.

Chairman Harrelson thanked the board for their support and the need to work together.

Janis Ivanoff thanked the board and staff for their work.

ADJOURNMENT

Frank Oxereok Jr. made a motion to adjourn the NSEDC 2009 Second Quarter Board of Directors' Meeting at 12:21 p.m. on July 31, 2009. Elvina Naranjo seconded the motion. The motion passed.

Dan Harrelson, NSEDC Board Chairman

Jerry Ivanoff, NSEDC Corporate Secretary

Date

ATTACHMENT 2
NSEDG Board of Directors
Special Meeting Minutes
June 23, 2009



FILE COPY

Serving the fisheries of the Bering Strait Region

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

Norton Sound Economic Development Corporation
Special Board of Directors' Meeting
Inlet Tower Hotel
June 23, 2009
9:00 a.m.

CALL TO ORDER

NSEDCE Board Chairman Dan Harrelson called the NSEDCE Special Board of Directors Meeting to order at 9:05 a.m.

ROLL CALL

Present at the meeting were Mary Menadelook, Joel James, Truman Kava, Frank Oxereok Jr., Reggie Barr, Joe Garnie, Don Stiles, Dan Harrelson, Dean Peterson, Charles Saccheus Sr., Elvina Naranjo, Harvey Sookiayak, Frank Katchatag, Victor Joe, and Wilfred Katcheak. Staff present were Janis Ivanoff, Rick Walicki, Aggie Blandford, Galsy Ashenfelter, Virginia Nashalook, William Johnson, Pearl Dotomain, Kathy Wheelehan, and Jerry Ivanoff. Public present for portions of the meeting were auditors, Tim Altman and Tom Domagala and Legal Counsel, Mike Seville.

APPROVAL OF AGENDA

Under Other Business, Chairman Harrelson added Community Welders. Wilfred Katcheak suggested discussing items 3 & 4 in executive session. NSEDCE Resolution 09-06 was added as item 5 under New Business. Elvina Naranjo requested an Invocation at the top of the agenda. Joel James requested Board Salaries as an item for discussion under Other Business.

Don Stiles made a motion to approve the agenda, as amended. Frank Oxereok Jr. seconded the motion. The motion passed.

INVOCATION

Harvey Sookiayak gave the invocation.

WAIVER OF APPROVAL OF MINUTES

Dean Peterson made a motion for a waiver of the approval of minutes. Victor Joe seconded the motion.

Reggie Barr asked why we waive the minutes at every special board meeting and recommended that they be provided.

The motion passed.

PUBLIC COMMENTS

No verbal or written public comments were provided.

"NSEDCE will participate in and encourage the clean harvest of all Bering Sea fisheries to promote and provide economic development through education, employment, training and financial assistance to member communities and Western Alaska, while protecting subsistence resources"

OLD BUSINESS

No old business was presented.

NEW BUSINESS

2008 Audit

Janis introduced Tim Altman and Tom Domagala, the 2008 NSEDC auditors. She turned the floor over to Tim Altman.

Harvey Sookiayak made a motion to go into executive session at 9:13 a.m. to go over the NSEDC 2008 Audit. Frank Oxereok Jr. seconded the motion. The motion passed.

We took a break at 10:01 a.m. The meeting reconvened at 10:17 a.m.

Harvey Sookiayak made a motion to return to regular session at 10:18 a.m. Victor Joe seconded the motion. The motion passed.

Chairman Harrelson recommended that any action items be stated after all executive sessions are complete.

2009 Season Fish Prices

Chairman Harrelson turned the floor over to William Johnson. Middy provided the board with a spreadsheet listing three different scenarios for 2009 fish prices and explained the differences. Chairman Harrelson asked when salmon prices would be finalized. The price will be set a week or two before the chum harvest. Middy spoke to the readiness of the plant, our work force, and quality concerns. We will employ about one hundred and thirty four staff. He also provided a brief update on the tender vessels. There was discussion about the funds available in the Tender Management Program. Final numbers for the *F/V Inaliq* need to be settled before another purchase is considered. Chairman Harrelson voiced his appreciation for Middy's hard work.

Northern NSSP Manager Rich Ferry was scheduled to do his presentation in the afternoon.

J. Garnie Request

Don Stiles excused himself for this portion of the meeting.

Harvey Sookiayak made a motion to go into executive session to go over the Joe Garnie Request and the May 22, 2009 NSEDC Finance Committee Recommendations at 10:46 a.m. Elvina Naranjo seconded the motion. The motion passed.

Don Stiles rejoined the Board in executive session for item 4, May 22, 2009 Finance Committee Recommendations.

Elvina Naranjo made a motion to return to regular session at 12:22 p.m. Frank Oxereok Jr. seconded the motion. The motion passed.

Frank Oxereok made a motion to accept the 2008 NSEDC Audit presented by Tim Altman. Don Stiles seconded the motion. The motion passed.

Don Stiles made a motion to give staff discretionary authority, approval or disapproval of the waiver of the 10% down payment, to run the revolving loan program and approve the waiver for

down payment of the three people who requested it. Harvey Sookiayak seconded the motion. The motion passed unanimously.

Frank Oxereok Jr. made a motion to approve the NSEDC Finance Committee Recommendations concerning S. Rieger & Co. LLC's Proposal. Elvina Naranjo seconded the motion. The motion passed unanimously.

NSEDC Resolution 09-06

Dean Peterson's Seasonal Employment Contract was brought up. Dean Peterson excused himself. Dan explained the proposed employment of Dean Peterson to assist NSSP with Golovin operations.

Don Stiles made a motion to pass NSEDC Resolution 09-06. Wilfred Katcheak seconded the motion.

Dan confirmed that Janis will approve an appropriate compensation for this contract.

The motion passed.

OTHER BUSINESS

Community Welders

Chairman Harrelson said one of the things he learned while attending the Community Outreach meetings is that a lot of our villages do not have welding capabilities. He asked the board for approval of a package to provide aluminum welders and argon to member communities. There was discussion about who would maintain the equipment and where it would be stored. Don Stiles would like to build a fisheries support facility for each community. Janis noted we could require an operation and maintenance plan from the entity that receives the equipment. Some numbers will be put together for the July meeting.

NSEDC Board Member Salaries

Joel James requested we revisit Don Stiles' proposal from 2008 regarding NSEDC Board Member Salaries. Don noted it would need to be in the budget. Wilfred Katcheak cautioned we would have to consider the Siu and NSEDC Education Foundation Boards also. Harvey Sookiayak recommended we have this discussion at the next budget round. Don Stiles recommended staff research other CDQ Board of Directors and in-region Board policies.

We took a lunch break at 12:45 p.m. The meeting reconvened at 1:12 p.m.

2009 Season Fish Prices continued

Rich Ferry, the new Northern Norton Sound Seafood Products Manager, took the floor. He provided a spreadsheet showing what prices will be if we keep within the existing budget and not pay a bonus at the end of the year. He listed some of the factors in deciding the price such as crab size and where the crab is delivered. Rich noted the interest from residents of the region to work in Nome and Unalakleet. He requested \$30,000 for a housing stipend of \$750 per month for ten people. Janis confirmed that Middy is considering something similar. Rich also mentioned the Savoonga Halibut Plant needs some work. Chairman Harrelson said the clean up around the plant looks good and the new black top will be an improvement. There was discussion about Rich's work load considering he is still doing his old job and his new job.

Chairman Harrelson opened the floor for the board comments.

Dean Peterson mentioned the NSEDC Strategic Plan and voiced his concern for continuing managers' meetings.

Don Stiles mentioned the facilities discussed earlier and the opportunity to provide jobs in the villages.

Victor Joe noted the Foundation is going good with Barb Nickels hired as CEO.

Truman Kava and Charlie Saccheus had no comments.

Elvina Naranjo stated it was good to see everyone and she is excited about the Koyuk Fishermen's Fair.

For the Nome Fair, which will be on Saturday, August 1, 2009, Chairman Harrelson said board members can stay in Nome after the board meeting to attend this.

Frank Oxereok Jr. was happy to see everybody and thanked the staff.

Joel James, Reggie Barr, and Frank Katchatag had no comments.

Joe Garnie, as Teller's NSEDC Board Member, noted that his residents are looking to get into the fisheries in the Bering Sea, but they need a lot of help, so he asked for staff assistance to develop these new fisheries.

Wilfred Katcheak had no comment.

Harvey Sookiayak thanked the staff and encouraged the staff to keep up with the hard work.

Mary Menadelook had no comment.

Chairman Harrelson commented that staff has stepped up to the plate to keep our corporation going. He thanked Rich Ferry, Janis Ivanoff, and the rest of the staff for their good work.

ADJOURNMENT

Joel James made motion to adjourn the NSEDC Special Board of Directors Meeting at 1:35 p.m. on June 23, 2009. Frank Katchatag seconded the motion. The motion passed.

Jerry Ivanoff, NSEDC Corporate Secretary

Dan Harrelson, NSEDC Board Chairman

Date