

FOR DISTRIBUTION

2011 THIRD QUARTER REPORT
July 1 – September 30, 2011



**NORTON SOUND ECONOMIC
DEVELOPMENT CORPORATION**

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I. Quarterly Highlights

- The NSEDC Board of Directors held its 2011 second quarter meetings in Nome, Alaska, August 3 – 4, 2011.
- Twenty-seven crab fishermen received a record-high payout in a quick fishery, netting nearly \$1.9 million, an average of \$75,720 per fisherman. NSSP paid \$5.29 at the dock and \$5.04 for tendered crab this season. Northern NSSP staff were able to work overtime to handle the fast-paced harvest of more than 400,000 pounds during the shortest season in NSSP's history.
- One hundred twenty-five salmon fishermen netted more than \$1.6 million for their efforts this season. The harvest was chiefly comprised of chums (811,530 pounds) and Cohos (458,191 pounds).
- As of the end of the third quarter, 21 halibut fishermen from Nome and Savoonga had harvested 95,024 pounds of the flatfish, earning \$500,700.
- The triennial trawl survey in Norton Sound, extended with NSEDC funding, found significant amounts of crab in second tier stations that would have been missed if the survey had not been extended.
- A total of 19 current residents of NSEDC member communities and one who now lives in Anchorage worked on the *F/V Pacific Glacier* and the *F/V Alaska Ocean*, earning a total of \$148,223.38 in wages.
- Fifty fisheries technicians, who were either directly employed by NSEDC or hired by the Alaska Department of Fish and Game with NSEDC funding, worked in the region during the third quarter.
- One hundred fifty-nine residents were awarded scholarships totaling \$310,835.
- Ten residents completed a NSEDC-sponsored commercial driving class in Teller in July.
- Six residents completed a NSEDC-sponsored commercial driving class in Savoonga in July.
- Ten residents of Brevig Mission participated in a NSEDC-sponsored skin sewing class during the third quarter of 2011.
- Twelve educators from Nome Public Schools attended a NSEDC-funded cultural training class on the Fish River in August.
- NSEDC hosted Fishermen's Fairs in Stebbins, St. Michael and Unalakleet in July. The events featured food, inflatable games, door prizes and contests as well as information on NSEDC's various programs and opportunities.
- NSEDC's Norton Sound Fisheries Research and Development (NSFR&D) Department completed its first year of a new counting project on the Iglutalik River, obtaining good counts for Chinook and chum salmon.
- NSFR&D wrapped up its salmon counting projects for the year on the Eldorado, Snake, Pilgrim, North, and Shaktoolik rivers.

- NSFR&D completed its planting of chum salmon eggs in the Snake and Solomon rivers during the quarter. The eggs were harvested earlier in the year and incubated at NSEDC's facility in Nome.
- NSFR&D completed its fertilization of Salmon Lake for the year to improve the habitat for sockeye salmon.
- NSFR&D continued its work testing various sites in eastern Norton Sound for potential Chinook salmon enhancement projects.
- The NSFR&D Clean Waters program reached its goal of providing marine debris cleanups in each of NSEDC's 15 member communities with the completion of a Nome project in September. The program also completed work in Koyuk and hauled a tender load of debris from Diomedede.
- NSFR&D continued several other projects, including the study of juvenile Coho salmon on the Nome River, a smolt study on the Pilgrim River, the study of Chinook and Coho salmon in the Unalakleet River, and water sampling on the Niukluk, Kachavik, McKinley and Snake rivers.
- Crowley completed deliveries of fuel from NSEDC's Bulk Fuel Program, distributing 904,000 gallons of diesel fuel and 452,000 gallons of unleaded fuel to participating entities throughout the region.
- Irene Ahgupuk joined the Nome office as an administrative assistant in July.
- Hazel Freytag joined the Anchorage office in July as sales support for Norton Sound Seafood Products and as an expeditor.
- Kelsi Ivanoff joined the Anchorage office as NSEDC's new Special Projects Coordinator.

A. Outreach

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

- The NSEDC Board of Directors held its 2011 second quarter meetings in Nome August 3 – 4, 2011; these meetings were open to the public.
- NSEDC Board of Directors notified residents of the 2011 second quarter meetings by placing advertisements in the *Nome Nugget*.
- NSEDC produced and mailed out its second quarter report to entities and municipalities throughout the region. The report was also posted on NSEDC's website.
- NSEDC delivered its annual report to all post office boxes in its member communities in September. The report is also posted on NSEDC's website.
- NSEDC produced a story and photos that were published in the *Nome Nugget* highlighting the Fishermen's Fairs held in Unalakleet, Stebbins and St. Michael.
- NSEDC produced advertisements on its website and in the *Nome Nugget* to announce the opportunity to participate in a NSEDC-sponsored Fisheries Safety Orientation course in Seward.
- NSEDC produced advertisements on its website and in the *Nome Nugget* to announce the application period for Outside Entity Funding grants.
- NSEDC posted employment opportunities on its website, a popular e-mail distribution list in Nome, *The Nome Nugget* and on KNOM radio multiple times throughout the quarter.
- NSFR&D staff attended a Western Alaska Salmon Stock Identification Project (WASSIP) meeting during the quarter at the request of Kawerak.
- NSEDC continued to update the organization's web site (www.nsedc.com) from which constituents can access quarterly reports, newsletters, applications, and information regarding opportunities with NSEDC. New releases are issued on the home page along with a news page.
- NSEDC has Community Outreach Liaisons in thirteen of its member communities with Community Benefits Director Paul Ivanoff III serving Unalakleet. NSEDC is working on filling the vacant Community Development Coordinator position that serves Nome. The NSEDC liaisons are sent informational fliers, applications, and other information to circulate within their communities.

B. Employment

Table 1
EMPLOYMENT DATA FORM
September 30, 2011

	Q1		Q2		Q3		Q4		Year-to-Date
	People	Wages	People	Wages	People	Wages	People	Wages	Wages
Management/Administrative									
NSEDC - In-region	12	\$198,241.93	11	\$ 229,110.86	11	\$ 221,587.77			\$ 648,940.56
NSEDC - Anchorage	13	\$233,478.91	12	\$ 218,583.32	16	\$ 231,576.64			\$ 683,638.87
NSSP - In-region	6	\$ 54,558.39	6	\$ 84,701.59	7	\$ 107,784.31			\$ 247,044.29
Total Management/Administrative	31	\$486,279.23	29	\$ 532,395.77	34	\$ 560,948.72			\$ 1,579,623.72
CDQ Pollock Related	14	\$130,068.55	20	\$ 147,883.06	19	\$ 148,223.38			\$ 426,174.99
Total NSSP Employment	13	\$ 10,702.61	38	\$ 84,238.84	162	\$ 621,978.95			\$ 716,920.40
Other NSEDC Employment									
Skippers, Deckhands, Shoreside, Clean Waters, etc.	2	\$ 44,497.50	28	\$ 112,719.21	55	\$ 437,270.34			\$ 594,487.05
Total Other NSEDC Employment	2	\$ 44,497.50	28	\$ 112,719.21	55	\$ 437,270.34			\$ 594,487.05
Other Fishing									
Bering Fisheries	0	\$ -	0	\$ -	2	\$ 2,961.72			\$ 2,961.72
Aleutian No. 1	1	\$ 29,700.00	0	\$ -	0	\$ -			\$ 29,700.00
O/A Norton Sound Winter Red King Crab	3	\$ 17,333.40	4	\$ 7,824.60	0	\$ -			\$ 25,158.00
Sheefish / Tomcod	3	\$ 2,908.00	2	\$ 1,547.50	3	\$ 2,784.00			\$ 7,239.50
O/A Norton Sound Red King Crab	0	\$ -	0	\$ -	24	\$1,794,455.49			\$ 1,794,455.49
CDQ Red King Crab	0	\$ -	1	\$ 8,490.45	9	\$ 125,478.80			\$ 133,969.25
Norton Sound Salmon	0	\$ -	27	\$ 115,450.24	125	\$1,163,599.48			\$ 1,279,049.72
Norton Sound Herring	0	\$ -	35	\$ 274,713.48	0	\$ -			\$ 274,713.48
NSEDC CDQ Halibut	0	\$ -	0	\$ -	21	\$ 500,698.10			\$ 500,698.10
Total Other Fishing	7	\$ 49,941.40	69	\$ 408,026.27	184	\$3,589,977.59			\$ 4,047,945.26
NSEDC Community Outreach Liaisons	13	\$ 19,500.00	13	\$ 19,500.00	13	\$ 19,500.00			\$ 58,500.00
NSEDC Community Employment Program	0	\$ -	10	\$ 67,164.50	0	\$ -			\$ 67,164.50
Interns									
NSEDC Administration	1	\$ 215.67	1	\$ 344.54	0	\$ -			
NSFR&D	0	\$ -	1	\$ 2,036.25	1	\$ 3,010.50			
Total Interns	1	\$ 215.67	2	\$ 2,380.79	1	\$ 3,010.50			\$ 5,606.96
Fisheries Technicians									
NSEDC Salmon Rehab.	0	\$ -	17	\$ 40,218.97	31	\$ 272,012.31			\$ 312,231.28
Alaska Dept. of Fish & Game	0	\$ -	1	\$ 548.83	8	\$ 59,009.71			\$ 59,558.54
Fisheries Development	1	\$ 353.35	2	\$ 6,755.10	11	\$ 29,400.68			\$ 36,509.13
Total Technicians	1	\$ 353.35	20	\$ 47,522.90	50	\$ 360,422.70			\$ 408,298.95
GRAND TOTALS	82	\$741,558.31	229	\$1,421,831.34	518	\$5,741,332.18	0	\$ -	\$ 7,904,721.83
NSEDC =	42	\$496,287.36	96	\$ 696,981.58	146	\$1,273,367.95	0	\$ -	\$ 2,466,636.89
NSSP =	25	\$ 85,502.40	113	\$ 576,966.70	351	\$4,316,779.13	0	\$ -	\$ 4,979,248.23
Partners =	15	\$159,768.55	20	\$ 147,883.06	21	\$ 151,185.10	0	\$ -	\$ 458,836.71

Employment Summary

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

CDQ Pollock – Glacier Fish Company paid wages to 17 residents of NSEDC member communities, one Shishmaref resident and one former NSEDC member community resident who were employed aboard the *F/V Pacific Glacier* and the *F/V Alaska Ocean* during the quarter.

Community Breakdown: 6 employees from Unalakleet
 2 employees from Shaktoolik
 3 employees from Stebbins
 3 employees from St. Michael
 1 employee from Nome
 2 employees from Teller
From non-member communities:
 1 employee from Shishmaref
 1 employee from Anchorage who is
 originally from the region

NSSP Employment – One hundred and fifty-eight residents of Norton Sound communities and four from outside the region were employed during the quarter.

Community Breakdown: 65 employees from Unalakleet
 54 employees from Nome
 13 employees from Savoonga
 3 employees from Anchorage
 10 employees from Elim
 4 employees from St. Michael
 1 employee from Fairbanks
 3 employees from Golovin
 8 employees from Koyuk
 1 employee from Newtok

Other NSEDC Employment – Fifty-two residents of Norton Sound and three from outside the region were employed during the quarter.

Community Breakdown: 10 employees from Unalakleet
 9 employees from Nome
 6 employees from Diomede
 2 employees from Elim
 2 employees from Golovin
 2 employees from Brevig Mission
 4 employees from Stebbins
 1 employee from Kotlik
 5 employees from Koyuk

6 employees from Shaktoolik
4 employees from Saint Michael
2 employees from White Mountain
1 employee from Anchorage
1 employee from out of state

Other Fishing – Nine fishermen delivered 23,720 pounds of CDQ Norton Sound red king crab to NSSP during the quarter.

Community Breakdown: 9 fishermen from Nome

Twenty-one fishermen delivered 95,024 pounds of CDQ halibut to NSSP during the quarter.

Community Breakdown: 8 fishermen from Nome
13 fishermen from Savoonga

One hundred twenty-five fishermen delivered 1,178,779 pounds of Norton Sound salmon to NSSP during the quarter.

Community Breakdown: 57 fishermen from Unalakleet
25 fishermen from Elim
24 fishermen from Shaktoolik
11 fishermen from Golovin
7 fishermen from Koyuk
1 fisherman from Nome

Three fishermen delivered 2,924 pounds of miscellaneous finfish (tom cod) to NSSP during the quarter.

Community Breakdown: 3 fishermen from Nome

Two residents of NSEDC member communities worked at the Bering Fisheries seafood plant in Dutch Harbor.

Community Breakdown: 2 employees from Unalakleet

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 Diomedea
1 liaison from Savoonga
1 liaison from Gambell
1 liaison from Elim
1 liaison from Golovin

Interns – There was one internship position sponsored by NSEDC during the quarter.

Community Breakdown: 1 intern from Unalakleet

Fisheries Technicians – Fifty fisheries technician positions either directly employed or sponsored by NSEDC were held by Norton Sound residents during the quarter.

Community Breakdown:

7 employees from Shaktoolik
16 employees from Nome
14 employees from Unalakleet
4 employees from Brevig Mission
1 employee from Elim
4 employees from Koyuk
4 employees from Teller

Training Data Form

Table 2
TRAINING DATA FORM
July 1 through September 30, 2011

	Quarter		Year-to-Date	
	People	Expenditures	People	Expenditures
Scholarships				
Post-Secondary	141	\$278,834.00	309	\$603,168.00
Vocational	18	\$32,000.00	57	\$110,000.00
Voc-Tech				
Basic	28	\$37,500.50	43	\$54,716.50
Advanced	0	\$0.00	0	\$0.00
Other Training				
Fisheries Related	0	\$0.00	15	\$40,477.01
CDQ Staff	0	\$0.00	1	\$1,872.00
CDQ Board	0	\$0.00	0	\$0.00
Other	10	\$13,139.33	73	\$36,132.55
TOTAL	197	\$361,473.83	498	\$846,366.06

Training Summary

One hundred fifty-nine students received funding for post-secondary and vocational education in the third quarter. Ten residents took a NSEDC-sponsored commercial driving class in Teller in July. Six residents took a NSEDC-sponsored commercial driving class in Savoonga in July. Twelve educators from Nome Public Schools participated in a NSEDC-funded cultural training camp on the Fish River in August. Ten residents of Brevig Mission participated in a NSEDC-sponsored skin sewing class during the third quarter of 2011.

II. Administration

A. Board Activities

Board of Directors Meetings

The NSEDC Executive Committee held a special meeting in Nome, Alaska, July 7, 2011.

The NSEDC Board of Directors held its 2011 second quarter meetings in Nome, Alaska, August 3 - 4, 2011.

The NSEDC Board of Directors travelled to Dutch Harbor, Alaska, to tour NSEDC and Siu Alaska Corporation assets at the end of September. While in Dutch Harbor, the Board had the opportunity to attend portions of the North Pacific Fishery Council meeting. The Board then travelled to Anchorage to hear staff presentations on NSEDC's Quota Management, Norton Sound Fisheries Research and Development Department and an update on the North Pacific Fishery Management Council's work on measures to reduce chum bycatch in the Bering Sea pollock fishery.

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 approved to continue its guarantee of Siu Alaska Corporation's \$8 million line of credit at its second quarter meeting.
- The Board approved an increase to the Glacier Bay LLP guarantee of \$1.4 million.
- The Board approved a Community Energy Fund request from White Mountain of \$539,268 to fund the purchase of more efficient electrical generation equipment.
- The Board approved the purchase of underwater video cameras for search and rescue purposes in each of NSEDC's member communities.
- The Board approved a \$60,000 addition to the scholarship budget for 2011.
- The Board approved a loan forgiveness policy for the families of deceased fishermen.
- The Board approved a program through which fishermen could purchase life insurance by using their fishermen receivables accounts.
- The Board approved the sending of a letter to request that the Bering Sea Research Area remained closed to commercial trawl fishing.
- The Board appointed Norton Sound Fisheries Research and Development (NSFR&D) Director Charlie Lean and NSFR&D Biologist Wes Jones to the Norton Sound Bering Strait Regional Aquaculture Association for seats reserved for NSEDC and a seafood processor.
- The Board approved \$300,000 to fund a request from Mary's Igloo Traditional Council for a multi-purpose community center.
- The Board approved motions to have staff examine the purchase of RSW barges and a multi-use vessel to support the region's fisheries for review and action by the Executive Committee.

III. Harvesting Report

A. CDQ Harvest Management

During the third quarter of 2011 NSEDC conducted a number of CDQ fishing activities including the directed harvest of pollock, Pacific cod, Atka mackerel/Pacific Ocean perch, Yellowfin sole, Rock sole, Flathead sole, Arrowtooth flounder, sablefish, halibut and Norton Sound red king crab.

Pollock

Glacier Fish Co.'s F/T *Pacific Glacier* and F/T *Alaska Ocean* harvested 12,872 metric tons (77%) of NSEDC's B season pollock quota in the third quarter. The remaining 1,200 mt was to be harvested in the fourth quarter.

Pacific Cod

Alaskan Leader Fisheries harvested 853 metric tons of Pacific cod in the third quarter, 58% of NSEDC's B season allocation, using the F/V *Bristol Leader* and F/V *Alaskan Leader*. There was low bycatch in this fishery except for Flathead sole and Arrowtooth flounder, each with a rate of 0.5 percent of the target. Prices have strengthened and the outlook continues to be positive for cod in the global market.

Atka Mackerel/Pacific Ocean Perch

The F/V *Seafreeze Alaska*, owned and operated by US Seafoods, harvested 72 metric tons of CDQ Atka mackerel and 58 mt of POP in the Central Aleutian Islands, as well as 101 mt of POP in the Western Aleutian Islands on behalf of NSEDC during the third quarter. Bycatch in these fisheries was minimal. The *Seafreeze Alaska* was to resume fishing for CDQ Atka mackerel and POP in the fourth quarter.

Yellowfin Sole, Flathead Sole, Rock Sole and Arrowtooth Flounder

Through the third quarter the F/T *Northern Glacier* harvested 89% of the Yellowfin sole, 39% of Rock sole, 9% of Flathead sole, and 25% of Arrowtooth flounder allocations provided by the pool of four CDQ groups. Overall, approximately 63% of NSEDC's CDQ flatfish allocations were harvested through the third quarter. The bycatch in these fisheries was relatively low. Flatfish prices have strengthened and were near a historical peak.

Sablefish

Through the third quarter the F/V *Ballyhoo* harvested 108,316 pounds or 96% of NSEDC's CDQ sablefish allocation in the Bering Sea, and the F/V *Cynosure* harvested 128,224 pounds or 89% of NSEDC's CDQ sablefish allocation in the Aleutian Islands. Dock prices remained very strong at more than \$8 per pound.

Halibut

In the third quarter 94,881 pounds of CDQ halibut was harvested; 29,471 pounds were delivered to the NSSP plant in Savoonga and 65,410 pounds were delivered to the NSSP plant in Nome. As of September 30, 57,219 pounds of CDQ halibut were yet to be harvested.

Aleutian Island Golden King Crab

The golden king crab season opened August 15, however, no CDQ crab was harvested in the third quarter. The F/V *Aleutian No. 1* was to target NSEDC's allocation of 66,150 pounds of golden king crab in the fourth quarter.

Norton Sound red king crab

The in-region CDQ crab fishery was completed on July 8. The total CDQ harvest was 26,850 lbs and the ex-vessel price was \$5.29 per lb.

B. IFQ Harvest Management

During the third quarter, NSEDC managed fishing operations and the harvest of individual fishing quotas (IFQs) in crab, the Central Gulf of Alaska sablefish, and halibut fisheries.

Crab

The F/V *Aleutian No. 1* made three landings in the third quarter. All A shares were delivered to Unisea and all B shares were delivered to Bering Fisheries. A total of 262,514 pounds were NSEDC's IFQ crab, of which 58,577 pounds were B shares. Ex-vessel prices were down slightly from last year at \$3.75 per pound for A shares and \$4 per pound for B shares.

Sablefish

In the Central Gulf of Alaska the F/V *Provider*, owned and operated by Wild Alaskan Seafood, harvested 37,765 pounds of NSEDC's IFQ sablefish in the third quarter. The remaining 21,712 of NSEDC's Central Gulf quota was to be harvested in the fourth quarter. Dock prices remained strong at around \$8 per pound.

Halibut

The F/V *Provider* harvested 8,378 pounds of NSEDC's IFQ halibut in the third quarter. The remaining 2,158 pounds of IFQ halibut was to be harvested in the fourth quarter. Prices were at historical highs of \$6.25 to \$7.10 per pound, depending on size.

C. Compliance/Enforcement

To the best of the CDQ Harvest Manager's knowledge, there were no vessel or fishing violations, illegal activities and/or fines or penalties imposed on vessels operating under contract to NSEDC during the third quarter of 2011.

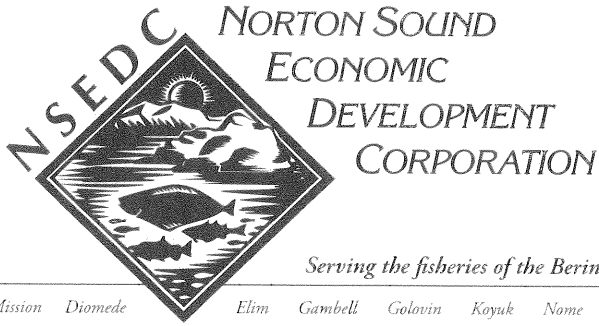
D. NSEDC Quota Royalties

To date for the year, NSEDC has generated roughly \$14.12 million in royalties from CDQ fishing operations and approximately \$2.63 million in royalties from IFQ fishing operations.

IV. Board of Directors July 1 – Sept. 30 Meeting Minutes (Attachment 1)

ATTACHMENT 1

2011 Second 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
Second Quarter Board of Directors Meeting
BSNC Boardroom
August 3 & 4, 2011
9:00 a.m.**

CALL TO ORDER

Chairman Dan Harrelson called the NSED C 2011 Second Quarter Board Meeting to order at 9:00 a.m.

ROLL CALL

Present at the meeting were Dan Harrelson, Don Stiles, Dean Peterson, Joel James, Eugene Asicksik, Joe Garnie, Walter Seetot, Truman Kava, Frank Oxereok, Elvina Naranjo, Wilfred Katcheak, Victor Joe, and Oscar Takak. William Johnson was present via teleconference. Orville Ahkinga was absent and excused. Staff present were Janis Ivanoff, Simon Kinneen, Virginia Nashalook, Paul Ivanoff III, Joel Cladouhos, Tyler Rhodes, Tiffany Martinson, Rich Ferry, Rick Walicki, Kyan Olanna, Kathy Wheelehan, and Jerry Ivanoff. John Eckels, Siu Alaska Corporation President and CEO, was also present. Public present were Tim Smith and Laurie McNicholas of the *Nome Nugget*.

INVOCATION

Oscar Takak gave the invocation.

APPROVAL OF AGENDA

Chairman Harrelson, under new business, added Mary's Igloo Traditional Council Proposal.

Elvina Naranjo made a motion to approve the agenda, as amended. Frank Oxereok seconded the motion. The motion passed.

APPROVAL OF MINUTES

- 1. April 28 & 29, 2011**
- 2. May 23, 2011**

Don Stiles made a motion to approve the minutes of April 28 & 29, 2011 and May 23, 2011. Oscar Takak seconded the motion. The motion passed.

PUBLIC COMMENTS

Tim Smith addressed the board on the salmon runs. He expressed his concern on king salmon throughout the region. He said the region does not have a functioning regional planning team, and stated that NSED C is an impediment to the process of getting the team meeting again.

Louie Green informed the board of his appointments to the Sitnasuak Native Corporation and Bering Strait Native Corporation boards, as well as the Seward Peninsula Regional Advisory Committee. He felt there is a salmon problem in Nome, and a lack of projects for enhancement.

"NSED C will participate in the Bering Sea fisheries to provide economic development through education, employment, training and financial assistance to our member communities."

CEO'S REPORT-Janis Ivanoff

NSEDC CEO Janis Ivanoff gave the CEO's Report. She noted the packet passed out containing the updated Northern NSSP Report, Chairman Harrelson's Report, updated financials, Mary's Igloo Traditional Council Proposal, and a budget amendment for capital projects. She continued on highlighting her report provided in the packet. Chairman Harrelson spoke to the NPFMC Meeting in Nome and asked if more outreach meetings would be held in regional villages prior to the Dutch Harbor meeting. Janis informed him that while outreach meetings may occur before the Dutch Harbor meeting, that salmon bycatch was not on the agenda for October. Joe Garnie asked for clarification on the next NPFMC meeting in Dutch Harbor. Chairman Harrelson asked for the date of this meeting, which is the end of September.

FINANCIALS/INVESTMENT PORTFOLIO

Rick Walicki gave the NSEDC Financials/Investment Portfolio.

Roy Ashenfelter joined the meeting at 9:22 a.m.

SIU ALASKA CORPORATION REPORT-John Eckels

1. Glacier Fish Company

John Eckels gave the Siu Alaska Corporation Report. John went over the highlights of the operations of *F/V Aleutian #1* and the *F/V Glacier Bay*. The *F/V Pacific Star* is doing charter work for NOAA. Chairman Harrelson asked about the revenues and expenses of this vessel, which are resulting in a steady loss. John noted that they are trying to sell this vessel, but they have not had any bids worth considering. Chairman Harrelson asked if John had any negotiations for the Pacific Star with Shell Oil in northern Alaska. Chairman Harrelson stated his wish to have residents of our region available to work on this vessel up north in possible spill response operations. John stated that he has not focused on the oil business, as he has been focused on the fishing operations. He noted the line of credit that expires in September, and the need for board approval to reauthorize it. Joe Garnie asked about Coastal Villages as our partner in BSAI and wished to see percentages in NSEDC/Siu's partnership with financials. He asked if this was available. John noted that this was provided in the report from the last quarterly board meeting. Eugene Asicksik, on the *F/V Pacific Star*, asked about the herring operation in our region and asked about the tender vessels for this operation. With more tenders, we would have caught the whole quota. He felt this was an option.

Dean Peterson made a motion to approve an increase to the Glacier Bay LLP Guarantee of \$1,400,000.00. Don Stiles seconded the motion.

Eugene asked for clarification on the finances. John noted the interest rates on our loans.
The motion passed.

Dean Peterson made a motion for the continued guarantee of the line of credit with Siu Alaska Corporation of \$8,000,000.00. Wilfred Katcheak seconded the motion.

Joe asked if John needed this entire amount. Chairman Harrelson noted that these funds are needed in case an unexpected expense comes up or if an urgent deal becomes available. Joe asked if there is a business plan for the eight million dollars. He felt we should get current investments operational, as the boats are not functional. They are being repaired. John noted that BSAI is financially sound and that the line of credit was needed for issues, such as vessel repair, that needed to be taken care of quickly. Eugene asked for clarification on the monies available with the CDQ Loan. Chairman Harrelson noted the CDQ Loan funds may be used for operations and asked if this was available for new business plans.

The motion passed, with Joe Garnie opposing the motion.

Charlie Lean joined the meeting at 9:55 a.m.

A break was taken at 9:56 a.m. The meeting reconvened at 10:13 a.m.

Wes Jones walked in at 10:10 a.m.

MANAGERS REPORTS

1. Quota Management-Joel Cladouhos

Joel Cladouhos gave the quota management report. Eugene Asicksik asked about the Glacier Fish Company Report, which was covered by John Eckels. Joel noted that he is monitoring the chum bycatch in our operations. NSEDC had a really good quarter. Chairman Harrelson asked Joel about the new royalty rates with GFC and the timeline. Joel stated that they are just making plans now. Chairman Harrelson asked when Joel would begin these discussions. Chairman Harrelson noted that GFC is doing mostly fillets and the possible impact on our royalty rates. Joel noted that the Pollock TAC went up 54%. Chairman Harrelson asked how long the royalty rate would last for, two or three years. With lower prices now, he would like to revisit this in two or three years.

2. Southern and Northern NSSP

a. Reese Huhta

Reese was in-route from Unalakleet and his report was deferred until a later time.

b. Rich Ferry

Rich Ferry gave the Northern Norton Sound Seafood Products Report. He noted this was the shortest and most intense crab season on record. Chairman Harrelson noted that the Nome operation did an outstanding job to keep their head above water with the movement of crab. He has not heard one complaint with prices or problems at the plant. He noted the F/V Norton Bay and other tender vessels problems with crab and salmon. Chairman Harrelson asked for the plan to fix the F/V Norton Bay. Rich stated that he will provide the plan at the next board meeting. Rich noted that all vessels fishing beyond three miles must be inspected and Rich provided the plan and timeline for these inspections. He recommended that we hire someone in the region to do the inspections. Don Stiles noted that the next board meeting in October and the plan to retrofit the F/V Norton Bay with this timeline. William Johnson asked about having the tender vessel manager work on the Norton Bay. Janis confirmed the tender vessel manager will work with Rich on maintenance issues. Chairman Harrelson asked about the plan to fix the shortages of totes. Rich planned to look into collecting NSEDC's totes throughout the region. Chairman Harrelson noted the problem with crew members in the tender vessel program. Rich stated that there were positions available on the tender vessels. There are jobs available and they are advertised. One problem Rich noted was finding more applicants that could pass the U.S. Coast Guard Drug Screen, which must be completed in Nome prior to working on the vessels. William asked about the pay for our tender vessel crews. Eugene Asicksik noted that some crab fishermen have two boats fishing crab. Chairman Harrelson thanked Rich, Josh, and the workers at the plant for an excellent job.

3. Written Reports

Chairman Harrelson noted the written reports in the packet.

a. Community Benefits Department-Paul Ivanoff

Paul Ivanoff III noted that the Mary's Igloo Traditional Council, which will be addressed later in the meeting. Paul noted that we had our fishermen's fairs in Stebbins, St. Michael, and Unalakleet with new activities for the older people. Victor Joe, on the salmon cutting contest, felt that the contest should be judged on neatness. Paul stated that we'll take that into consideration for next year. Eugene Asicksik

asked Roy Ashenfelter about Shaktoolik's request for reimbursement on an OEF project. Roy went over the process to implement the OEF Program, documentation and the plan to bring this project up to date. Chairman Harrelson directed Roy to clarify this with Eugene Asicksik after the meeting. Paul Ivanoff III informed Eugene that the OEF Program allows a fifteen percent variance and it just a matter of completing the necessary paperwork. William Johnson asked for an update on the wind to thermal project, and the status of staff following board direction in getting rid of some assets. Paul spoke to the performance of the wind generator and warranty issues on the Franklin Thomas Equipment. Chairman Harrelson noted the direction of the board to put these units up for bid, as the size of the units is not suitable for use in our region. Paul stated that staff had wished to ensure that any return or repair options that should be covered by the warranty were pursued prior to putting them up for bid. Chairman Harrelson asked if we could recoup the funds we paid for this equipment. William spoke to direction given by the board, and perhaps the need to develop a policy on getting rid of our assets if direction given by the board is not clear enough. NSEDC CEO Janis Ivanoff noted that NSEDC does have an asset removal policy and we would try to recoup our monies.

b. EET Department-Jerry Ivanoff

Jerry noted that our scholarship program has been utilized to the fullest. Janis Ivanoff noted that the NSEDC Finance Committee is making a recommendation to cover the scholarships for the year. Chairman Harrelson asked about the limit for the community based training. Jerry informed him that this limit was \$14,000.00 and we could go over with consideration of the budget and the timing of any training proposals.

c. HR Department-Tiffany Martinson

Tiffany Martinson stated that our annual health insurance renewal went very well and we will be seeing a significant savings compared to last year. NSEDC is now offering a new Employee Assistance Program to all employees that includes counseling services for any type of issue such as substance abuse, family issues, financial issues, etc. William Johnson asked about compensation changes made for select employees who previously had been paid on daily rate. Tiffany explained that the federal government defines who qualifies for a day rate vs. an hourly rate and employers are obligated to follow these regulations that are intended to protect eligibility for overtime. Janis noted that we are obligated to pay overtime for workers who are earning it, and that the change to an hourly rate was to ensure that NSEDC was not underpaying its employees. William asked for a comparison with the daily rate versus the hourly rate for the time our crew puts in.

Oscar Takak was excused at 11:03 a.m.

d. NSFR&D-Charlie Lean

Charlie noted that the legislature closed and the governor signed the budget, with Shaktoolik Sonar Project funding included, which was essentially an endorsement for the project. Charlie noted that NSEDC has received a grant for crab research. Eugene Asicksik asked about the *F/V Pandalus* trawl surveys and the results. Charlie noted that initial results were encouraging for the health of the crab population, and the stock is doing well. Charlie went over the plan for the boat for crab research in Norton Sound and a week for exploratory surveys in northern Norton Sound. Eugene mentioned the red king crab total allowable catch. Charlie noted that by current regulation the harvest can't exceed 10% of the crab population.

A lunch break was taken at 11:09 a.m. until 1:00 p.m.

The meeting reconvened at 1:00 p.m. Oscar Takak was excused as he was at the hospital with his son.

COMMITTEE REPORTS

1. Executive Committee Report

Chairman Dan Harrelson gave the NSEDC Executive Committee Report. This included recommendations to the full board to approve the White Mountain Community Energy Fund request of \$539,268, to have staff further research the costs of providing different internet services, and to purchase underwater cameras for each community.

Don Stiles made a motion to adopt the NSEDC Executive Committee Report with all its recommendations. Eugene Asicksik seconded the motion.

Joe Garnie brought up the Hobson Creek Hatchery and utilization of the property. NSEDC CEO Janis Ivanoff clarified this issue for Joe. Elvina Naranjo asked for a rough estimate for the underwater cameras for each community. Janis informed her that the cost would be \$6,300.00. Joe brought up the sunken barges in the Teller area and stated the underwater cameras would provide the opportunity to remove these hazards.

The motion passed.

2. Rules & Bylaws Committee Report

Chairman Don Stiles gave the NSEDC Rules & Bylaws Committee Report. This included a recommendation to approve the 2011 Member Representative Election Forms as presented.

Eugene Asicksik made a motion to approve the minutes of the Rules and Bylaws committee with its recommendation. Frank Oxereok seconded the motion.

Chairman Harrelson confirmed the new forms would be used for the elections this year.

The motion passed.

William Johnson joined the meeting via teleconference at 1:10 p.m.

3. Scholarship Committee Report

Chairman Victor Joe gave the NSEDC Scholarship Committee Report.

4. Fisheries Development Committee Report

Chairman Oscar Takak deferred this report to Chairman Dan Harrelson, who gave the NSEDC Fisheries Development Committee Report. No action was required.

5. Finance Committee Report

Chairman Harrelson gave the NSEDC Finance Committee Report. This included recommendations to approve a budget amendment to purchase a new delivery van for Anchorage sales, a budget amendment to add \$60,000 to the scholarship budget, to write off loans as presented in executive session, to adopt the loan forgiveness policy as presented, and to authorize the fishermen insurance program as presented and discussed.

Don Stiles made a motion to approve the NSEDC Finance Committee Report with all its recommendations. Dean Peterson seconded the motion.

Don Stiles voiced his support of the scholarship committee budget amendment and noted, on the loan forgiveness policy, loans would be forgiven to decrease family hardships upon the death of a fisherman.

The motion passed.

OLD BUSINESS

1. Litigation Update-executive session

Elvina Naranjo made a motion to go into executive session to go over the litigation update at 1:20 p.m. The motion passed.

Frank Oxereok made a motion to return to regular session at 2:00 p.m. The motion passed.

A break was taken at 2:00 p.m. The meeting reconvened at 2:14 p.m.
Oscar Takak joined the meeting at 2:15 p.m.

Chairman Harrelson introduced the Nome NSEDC Softball Team. Coach Buddy Okleasik addressed the board on the make-up of his baseball team. The team was given an opportunity to introduce themselves. They provided a nice thank you plaque to NSEDC, received by Chairman Dan Harrelson. General consensus was to outfit the team better next year. They received a round of applause.

2. Community Energy Fund Review

Janis Ivanoff spoke briefly to the Community Energy Fund and the board's previous request to review the guidelines at a later date. Chairman Harrelson voiced his concern with the sunset date and stated at some point the sunset date needs to be adjusted to a later time to accommodate our communities. The sunset date is two more years from now. No action was taken.

3. Northern Bering Sea Research Area

NSEDC CEO Janis Ivanoff went over the Northern Bering Sea Research Area agenda item; the board had requested a draft letter be brought back to the board for review that requested the area remain closed to commercial trawl fishing. Janis paraphrased the letter, which was included in the board packet.

Don Stiles made a motion to approve the letter being sent out. Dean Peterson seconded the motion. The motion passed.

4. CDQ Loan Fund

Janis Ivanoff provided information on the CDQ Loan Fund. Chairman Harrelson asked how WACDA determined the amount available to each CDQ Group, and whether it was divided by population or some other method. Simon Kinneen clarified the percentages were negotiated by the CDQ Groups. Chairman Harrelson noted that we have no immediate plans for fund use, but it is available.

Dean Peterson made a motion to approve WACDA Resolution 2011-01, CDQ Loan Fund Allocation. Oscar Takak seconded the motion. The motion passed.

The meeting was recessed at 2:27 p.m. until 10:00 a.m. the following morning.

August 4, 2011

Chairman Harrelson reconvened the meeting at 10:00 a.m. All the board members were present, except Orville Ahkinga, who was excused. William Johnson was present telephonically.

NEW BUSINESS

1. Annual Board Retreat and Training

- a. Bulk Fuel Hedging Workshop
- b. Quota Management Workshop

NSEDC CEO Janis Ivanoff brought up the annual board retreat and training in December, noting the timing of the NPFMC Meeting from September 28-October 4, 2011. Chairman Harrelson asked about the hedging workshop and asked if staff could perform an analysis going back ten years and comparing the price of fuel at the time of lifting vs. what would have been paid in a hedging scenario. Eugene Asicksik asked for clarification on the quota management workshop. Joe Garnie asked when the full board meeting would be in Dutch Harbor. Joe asked where the annual board retreat would be held; Janis reported that it was not determined. Joel James asked if there would be a full board meeting in Dutch Harbor. Chairman Harrelson noted it would be a workshop.

2. NSEDC Representative to the Regional Aquaculture Association

Janis Ivanoff briefed the board on this issue and noted that NSEDC needs to select one representative for NSEDC and one as the Processor representative. She noted that Eugene was the representative in the past, as the NSEDC CEO. Chairman Harrelson recommended Wes Jones from the southern Norton Sound. Eugene stated that perhaps it needed to be a board member, but maybe not. William Johnson felt Wes would be an excellent candidate for this position. For the enhancement portion, Chairman Harrelson recommended Charlie Lean.

Don Stiles made a motion to appoint Charlie Lean and Wes Jones to the Regional Aquaculture Association for NSEDC and processor. Frank Oxereok seconded the motion. The motion passed with Joe Garnie opposing.

3. Mary's Igloo Traditional Council Proposal

NSEDC CEO brought the Mary's Igloo Traditional Council (MITC) Proposal to the table. The floor was turned over to Paul Ivanoff III. Paul noted that MITC submitted this proposal to meet the deadline of the EDA match they are seeking. MITC had not secured funding from other organizations. Paul felt that this was a very solid proposal and staff was supportive of it. William Johnson asked Paul how this proposal would rate and his recommendation, if it went through the OEF Process. Chairman Harrelson commented on this proposal coming out of cycle. He noted that Teller has tried to rebuild itself over the last few years. He noted that they missed out in the early years to obtain funds. There was discussion regarding similar funding for past community building projects, which had been matched at up to \$250,000. Chairman Harrelson asked if this amount was a limit. Paul and Janis noted that Unalakleet sent in a request of \$300,000.00, and they would need to look through the minutes to verify what was awarded, but that there was no limit or policy set on funding these proposals. Don Stiles asked if this would require a policy change to the OEF Process. Simon spoke to OEF workshop and board action to change the funding process, and that the larger regional infrastructure projects were not considered to be a part of the OEF program. William stated he has no problem with trying to help other NSEDC communities out, but that the people need to recognize that if NSEDC doesn't hold MITC to policy considerations for this proposal, that it shouldn't be okay to maintain policy requirements for others in similar situations. Janis noted that this was addressed out of cycle to meet the time frame to acquire the match. William noted that we should make sure they meet all the requirements like all our other communities. Paul noted that staff could require the same audit demonstration for this entity. Joe Garnie voiced his support of the proposal, to acquire a match. Teller and Mary's Igloo have worked together to pick the site. Eugene Asicksik asked what funding this proposal would do to the budget and asked about a limit. Paul noted that these funds would come from our 2012 budget. Eugene supports the proposal as Teller is one of our member communities. Eugene noted this is only a commitment to fund this proposal, and the need for approval by September 5th. Janis noted that the amount would be budgeted in the budget process in December. Don Stiles recommended that in the future, we follow our deadlines of the program, but that this is a good opportunity to bring money to a community that

really needs it. Chairman Harrelson voiced his support for this project but also stated that he had preferred to not lapse back into dealing with proposals at every board meeting as was done in the past.

Don Stiles made a motion to approve \$250,000.00 for the Mary's Igloo Traditional Council Proposal. Dean Peterson seconded the motion.

Eugene mentioned the \$300,000.00 requested from Unalakleet. He noted that Mary's Igloo was requesting \$350,000.00. William Johnson brought up a possible rollover of the Community Benefit Share or Outside Entity Funds. Janis noted that Teller had no additional funds available. Eugene felt that it would be up to Teller to utilize the Community Benefit Share. Chairman Harrelson spoke to the potential importance of the Teller Community Benefit Share to use the \$100,000.00 for other projects. Don Stiles wanted to be fair to the other communities. Joe commented on the increasing price of fuel, and that he favored keeping it at \$350,000.00, as it will be a tight budget to complete this project.

The motion failed.

Eugene Asicksik made a motion to fund this proposal with \$300,000.00. Oscar Takak seconded the motion. The motion passed.

Southern NSSP Report

Reese Huhta was given the floor for the Southern NSSP Report.

Reese noted that the numbers have increased in the salmon operation. He reported on the successful repower and operations of the *F/V Egavik*, and the recent change of propellers to increase speed and efficiency. Reese gave an overview of tender operations to move salmon from Elim and Golovin. Reese stated that the Coho harvest should surpass the chum harvest, that NSSP has bought about 840,000 pounds of fish in the 2011 season to date, and he requested the board encourage their residents to apply for work as crew on our tender vessels. Joel James asked about a backup for the diesel generator in Elim. Reese noted that, in Elim, NSSP is using a generator for power. Joe Garnie if on the job training could be provided for work on the tender vessels. Reese stated that the skippers and existing crew would be able to train new deckhands, and that no formal training is required. Chairman Harrelson spoke to some of the problems with the operations in crab and salmon. He commented on the lack of showers and other mechanical issues that the crews face in their positions. He said it's not a fun job for \$250 a day, and that this should be considered at budget time the next year. Dan asked if Reese was recommending the acquisition of new tenders. Reese noted that the *Egavik* and the *Golovin Bay* have showers and a head and both are now functional. He said that NSSP does currently have a house in Unalakleet to house tender crews. Reese would like to see a RSW on the *F/V Egavik*. He also stated that he wished to repair the existing RSW systems on the *F/V Golovin Bay* and *T/V Besboro*, and to see two more vessels for tendering salmon. With two more tender vessels, a rotation could be established which would provide much more fishing time. Eugene Asicksik concurred with the RSW Barge to increase the fishing time for fishermen and Shaktoolik. He recommended a RSW Barge with power to get the sea water to keep the crab healthy in Nome prior to processing the crab at the NSSC and noted that ADF&G will allow more chum fishing next year and tendering needs to be addressed now, instead of waiting until December. Chairman Harrelson asked if staff had \$300,000 available to shop around for a tender vessel, whether they'd be able to acquire a suitable vessel before next season. He also asked if staff had considered a three or four year tender lease, which may increase the interest in providing tendering services. William Johnson stated that while the currently budgeted \$80,000 for a new tender may have been too low to build in-region or elsewhere, that with funding of \$300,000 further consideration should be given to building them in-region. William stated that more residents should get certified in welding. Eugene stated that we need at least a year to acquire a new tender vessel. William

asked if Reese still has a market for #1 and #2 chums. William stated he would like Reese to work with fishermen to ensure they knew the grading criteria to reduce any confusion about how they are graded. Reese stated that he has information available and will make sure it gets posted in Unalakleet and on the tenders. William noted the sudden closure due to weather for more fish to escape into the river system. He noted that the Unalakleet fishermen missed out on a tremendous escapement in the Unalakleet River. Don Stiles noted that it was good to hear of the strong salmon abundance, and now NSEDC needs to work out our tender capacity to increase harvesting capacity. Simon noted there are funds in the budget to set up RSW on the *F/V Egavik*. Chairman Harrelson brought up the possibility to fly fish from Elim and Golovin directly to Anchorage. Simon stated that the most promising option was an arrangement with Copper River Seafoods to use their contract aircraft for flying fish from Elim or Golovin. Rich Ferry stated that they would be glad to help with processing the salmon. Eugene Asicksik was surprised about the funding for the *F/V Egavik* and didn't see it in the budget. Janis clarified that it was in the capital budget. He asked for clarification on the funding available for the tender operations and if the *Egavik* is going back to Homer or Seattle. Simon stated that with the type of RSW system staff was looking at, that it would probably be best for it to go to Seattle. Chairman Harrelson brought up the timeline necessary to get these vessels operational, and pointed out that the last couple of seasons the vessels were late in arriving in region and perhaps doing the work in Seattle would make for an earlier arrival. William stated that Seattle or Seward shouldn't be the only options for doing this work; Unalakleet has a marine repair facility and NSEDC should look to having work done in the community when it is possible. Chairman Harrelson asked if the marine service facility was up and running in Unalakleet.

Eugene Asicksik moved to direct staff to examine the purchase of three RSW barges, one for crab, two for salmon, and to give the Executive Committee authority to act on the board's behalf, rather than waiting for December. William Johnson seconded the motion.

Chairman Harrelson asked for clarification on the authority of the executive committee. Eugene mentioned that need to hold 30,000 pounds and asked the staff to look into it, but estimated it would be about \$1,000,000.00. Don felt the need to provide freight hauling for our member communities, when the tenders are not utilized. He would like to invest in vessels with multi-purpose use. Chairman Harrelson asked if it would be more prudent to buy a vessel like the *F/V Egavik*. He noted the usage of local vessels to move our crab and salmon. Eugene stated that *F/V Egavik* was purchased to move freight, and the RSW Barges would eliminate the need to move ice. William stated that the *F/V Egavik* was purchased to tender fish and spoke to the difficulty of moving the RSW Barges around, and that a barge wouldn't help with moving the fish. Eugene stated that, if we have barges in different areas, we would not need to move these barges. Don noted that the *Egavik* was set up to tender our fish. He noted the quality preserved of our fish by keeping them in a RSW System. Chairman Harrelson noted that the board could argue this for hours, but he felt that the Executive Committee could hash these problems out. Dean Peterson stated that Reese knows what vessels work and the need to increase our tender capacity. He concurred with Don on purchasing a multi-use boat. Oscar Takak felt that a RSW Barge is needed in Elim that has a capacity of 30,000 pounds. He would not like to endanger his fishermen trying to fish when weather is bad. A RSW barge would increase their safety and allow more fishing time. Don Stiles felt we need to move our salmon, but we need to move freight after the season. With the mobility to move around, he recommended a combination of the two. Joe Garnie stated that we could beat this up all day long, but he recommended that we could do the work in our communities. We need to train our own people to work on this equipment. Don Stiles stated that we have our own people on this equipment learning how to maintain.

The motion passed with Don Stiles, Middy Johnson and Dean Peterson opposing.

William Johnson recommended going with staff's input and stated that as an Executive committee member he would give weight to staff recommendations. Eugene stated that this was the gist of the motion, so we would not have to wait until December. There was discussion about the extent of what options should be presented to the Executive committee.

Don Stiles made a motion to direct staff to look into purchasing a multi-use vessel. William Johnson seconded the motion.

Eugene stated that he would vote against this motion. William Johnson spoke to using other boats to move the salmon into Unalakleet, when the tender cannot make into the river. William felt that it would be important to move freight after the season.

The motion passed with opposition from Eugene Asicksik, Wilfred Katcheak, and Joe Garnie.

William Johnson and Chairman Harrelson commended Reese Huhta with his work.

PUBLIC COMMENTS

Adem Boeckmann thanked the board for everything.

Tim Smith referenced the historical harvest and the need for consistency in runs of salmon to ensure the use of additional tender vessels. Smith noted that there has not been a Regional Planning Team meeting since 2006 and that we had heard ADF&G say that the current dispute over control of the aquaculture association was preventing an RPT meeting from occurring. Smith claimed that NSEDC was the impediment to the process moving forward. Smith then asked who the represented Teller on the regional aquaculture association. Janis clarified that there was a RAA representative for the communities of Wales, Teller, Brevig Mission, and Diomed. Dan stated that Kenny Hughes was the last representative for these communities. Tim stated that Kenny no longer lives in Teller and asked who the representative from Nome was, so that he could tell the State. Kyan Olanna noted she was surprised that Tim was claiming that he did not know who the representatives were, given that Smith had represented to the State that he was in control of the aquaculture association. Tim stated that he will tell the State of Alaska that he cannot get this information.

Louie Green commented, saying that he had spoken with Mitch Erickson regarding his time in Skagway and that it took them 10 years to see good returns of salmon after hatchery operations started. He felt that NSEDC needed to come to the table and support enhancement. He said that successful salmon enhancement projects were happening all over the state. He spoke to the employment benefits that come with enhancement as well, and requested the board make these opportunities available for the residents.

BOARD COMMENTS

Don Stiles commended Rich Ferry for his good work with a large amount of crab with good prices. He also commended Reese and his crew for their wonderful job.

Oscar Takak thanked Reese for making things happen in Elim with the salmon fishing.

Victor Joe thanked Reese for his work with the herring fishery.

Joe Garnie thanked the board for overlooking the deadline and providing Teller with the outside entity funding.

Frank Oxereok thanked Janis and the staff and stated this was a good meeting and to have a safe trip home.

Eugene Asicksik thanked ADF&G for their management and keeping their word by opening Golovin and Elim. Thanks to Rich and Reese for their hard work. Eugene asked for an update on the repeater station. Chairman Harrelson informed him that the one near White Mountain is working, but we need to educate our fishermen how to use it. Eugene noted the communication problems with our tender vessels.

Dean Peterson thanked Rich and Reese with the fast and furious season. Good job!

Dan Harrelson thanked the board for their professional manner in conducting business. Thanks to Rich for the crab season and looking forward to a good halibut harvest. Thanks to Reese. Thanks to Janis and the staff.

Janis Ivanoff noted the annual training of the board of directors.

Wilfred Katcheak, Elvina Naranjo, Truman Kava, and Joel James had no comment.

ADJOURNMENT

Don Stiles made a motion to adjourn the NSEDC 2011 Second Quarter Board Meeting at 11:55 a.m. on August 4, 2011. Oscar Takak seconded the motion. The motion passed.

Dan Harrelson, NSEDC Board Chairman

Jerry Ivanoff, NSEDC Corporate Secretary

Date