

FOR DISTRIBUTION

2012 FIRST QUARTER REPORT
January 1 – March 31, 2012



**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
A. Outreach	3
B. Employment	5
Employment Data Form	5
Employment Summary	6
Training Data Form	8
Training Summary	8
II. Administration	9
A. Board Activities	9
Board of Directors Meetings	9
Substantial Decisions	9
III. Harvesting Report	
A. CDQ Harvest Management	11
Pollock	11
Pacific Cod	11
Yellowfin Sole, Flathead Sole, Rock Sole and Arrowtooth Flounder	11
Halibut	11
Opilio Crab	11
B. IFQ Harvest Management	11
Aleutian Island Golden King Crab	12
Opilio Crab	12
C. Compliance/Enforcement	12
IV. Board of Directors Jan. 1 – March 31 Meeting Minutes (Attachments 1 & 2)	13

I. Quarterly Highlights

- The NSEDC Board of Directors held its 2011 fourth quarter meetings in Nome, Alaska, Jan. 31 – Feb. 1, 2012.
- NSEDC administered its 2012 Energy Subsidy program, providing a \$500 electric utility credit to nearly 2,700 households in its 15 member communities. The program contributed a total of \$1.34 million toward resident's utility bills.
- NSEDC's Board of Directors approved \$647,342 in 2012 Outside Entity Funding requests for 17 entities in member communities. The Board additionally approved \$100,000 in OEF funding for two proposals with regional impacts.
- NSEDC's Board of Directors approved \$213,126 in funding for fisheries-related projects in Nome and Elim.
- Staff from NSEDC's Fisheries Research and Development division were successful in getting a proposal approved by the Alaska Board of Fish which should keep commercial red king crab harvest guidelines in Norton Sound on par with recent past seasons. Had the proposal not been approved, the harvest could have been cut by as much as 50% despite a strong and healthy crab population.
- NSEDC prevailed in a lawsuit brought by Nome resident Tim Smith over the 2009 election for the Nome representative to NSEDC's Board of Directors. The judge sided with NSEDC on all counts, firmly supporting NSEDC's election practices and bylaws.
- Norton Sound Seafood Products succeeded in finding a buyer for live red king crab caught in the through-the-ice winter fishery in Norton Sound. This enabled NSSP to offer resident fishermen the exceptional price of \$6.50 per pound for their catch.
- As of the end of the first quarter, 24 fishermen from six member communities had earned nearly \$70,000 for their harvests of Norton Sound red king crab.
- The NSEDC Board of Directors approved plans to bring a floating processor to Norton Sound this summer to allow for a commercial pink salmon fishery.
- The U.S. Coast Guard granted NSEDC's request for alternate safety regulations for Norton Sound commercial fishermen operating skiffs. Qualifying vessels that adhere to the alternate regulations will be exempted from the rule requiring immersion suits for all onboard.
- Sterling Gologergen was hired as the Community Benefits Coordinator during the quarter. Sterling works out of NSEDC's Nome office.
- Casey Perkins was hired as a Fisheries Research and Development Senior Crew Leader. Casey works out of NSEDC's Nome office.
- Donnie Miklahook from Savoonga attended the Alaska Young Fishermen's Summit in Juneau in mid-February. NSEDC sponsored the travel, registration and expenses for Miklahook to attend the summit which covers a broad array of topics related to the commercial fishing industry.
- NSEDC's pollock harvesting partner concluded its fishing operations for the A season, harvesting 100 percent of NSEDC's CDQ allocation for the A season.

- A total of 15 current residents of NSEDC member communities, one resident of Shishmaref and a former member community resident who now lives in Anchorage worked on the *F/V Pacific Glacier*, the *F/V Alaska Ocean* and the *F/V Aleutian No. 1* earning a total of \$176,191 in wages.
- One hundred sixty residents of member communities were awarded scholarships totaling \$303,834.
- Twenty-six residents of White Mountain and 15 residents of St. Michael participated in three NSEDC-sponsored driver's permit classes.

A. Outreach

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

- The NSEDC Board of Directors held its 2011 fourth quarter meetings in Nome, Alaska, Jan. 31 – Feb. 1, 2012; these meetings were open to the public.
- NSEDC Board of Directors notified residents of the 2011 fourth quarter meetings by placing advertisements in the *Nome Nugget*.
- NSEDC produced and mailed out its 2011 fourth quarter report to entities and municipalities throughout the region. The report was also posted on NSEDC's website.
- NSEDC staff was interviewed on KICY Radio about the Energy Subsidy.
- NSEDC distributed notices and information regarding the energy subsidy via its website, the Nome Nugget, KICY and KNOM radio stations, and community liaisons. NSEDC staff and community liaisons personally signed up residents in each member community for the subsidy.
- NSEDC announced the recipients of the 2012 Outside Entity Funding grants via a news release to the Nome Nugget and KICY and KNOM radio stations, as well as its website.
- NSEDC Education, Employment and Training Department staff attended and presented information at career fairs in Unalakleet, White Mountain, Koyuk and Shaktoolik. Staff also attended the UAF Northwest Campus College Goal Sunday event in Nome.
- NSEDC helped facilitate the election process for the Regional Aquaculture Association by running an advertisement in the Nome Nugget, an announcement on its website and distribution of information and nomination forms to Community Outreach Liaisons.
- NSEDC produced a newsletter which was sent out to every Post Office box holder in its 15 member communities. The newsletter contained information on employment and commercial fishing opportunities as well as updates on NSEDC programs and administration.

- NSEDC distributed notification of new commercial fishing safety regulations and exemptions granted to the Norton Sound fleet through a direct mail-out to permit holders. The mail-out included paperwork that fishermen will need to carry as well as instructions on using radio repeaters in the region.
- NSEDC prepared and distributed promotional materials to regional restaurants that serve seafood from Norton Sound Seafood Products. The promotional items encourage patrons to order seafood harvested by Norton Sound resident fishermen.
- NSEDC staff participated in fish dissections in Mrs. Nikki Scherer's first-grade class at Nome Elementary School. The biologists talked about fish anatomy and discussed with students where they fish.
- NSFR&D staff spoke with the Sitnasuak Native Corporation Lands Committee regarding NSEDC's salmon enhancement efforts
- NSFR&D staff presented on NSEDC's Clean Waters Program at the Norton Sound Health Corporation Environmental Health Conference in Nome.
- NSFR&D staff presented on salmon enhancement projects in the region at a conference on rehabilitating salmon stocks in northern California
- NSEDC Community Benefits Department staff participated in a small business workshop in Nome, presenting information on the Small Business Initiative.
- NSEDC staff presented information of the Consolidated Bulk Fuel program and the Norton Sound commercial red king crab fishery during workshops attended by board members and staff of all six CDQ groups during a gathering to celebrate the 20th anniversary of the CDQ program.
- NSEDC posted employment opportunities on its website, a popular e-mail distribution list in Nome, *The Nome Nugget*, on KNOM radio and through liaisons several times throughout the quarter.
- 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. News releases are issued on the home page along with a news page.
- NSEDC has Community Outreach Liaisons in 13 of its member communities with Community Benefits Director Paul Ivanoff III serving Unalakleet and Community Development Coordinator Sterling Gologergen serving Nome. The NSEDC liaisons are sent informational fliers, applications, and other information to circulate within their communities.

B. Employment

	Q1		Q2		Q3		Q4		Year-to-Date
	People	Wages	People	Wages	People	Wages	People	Wages	Wages
Management/Administrative									
NSEDC - In-region	12	\$239,267.29							\$ 239,267.29
NSEDC - Anchorage	13	\$241,566.61							\$ 241,566.61
NSSP - In-region	5	\$ 80,278.65							\$ 80,278.65
Total Management/Administrative	30	\$561,112.55	0	\$ -	0	\$ -	0	\$ -	\$ 561,112.55
CDQ Pollock Related	14	\$102,595.79							\$ 102,595.79
Total NSSP Employment	5	\$ 13,166.50							\$ 13,166.50
Other NSEDC Employment									
Skippers, Deckhands, Shoreside, etc.	4	\$ 63,678.75							\$ 63,678.75
Clean Waters Program	1	\$ 7,183.80							\$ 7,183.80
Total Other NSEDC Employment	5	\$ 70,862.55	0	\$ -	0	\$ -	0	\$ -	\$ 70,862.55
Other Fishing									
Bering Fisheries									\$ -
Aleutian No. 1	1	\$ 56,300.00							\$ 56,300.00
O/A Norton Sound Winter Red King Crab	24	\$ 69,725.50							\$ 69,725.50
Whitefish	0	\$ -							\$ -
Sheefish / Tomcod	4	\$ 1,080.00							\$ 1,080.00
O/A Norton Sound Red King Crab	0	\$ -							\$ -
CDQ Red King Crab	0	\$ -							\$ -
Norton Sound Salmon	0	\$ -							\$ -
Norton Sound Herring	0	\$ -							\$ -
NSEDC CDQ Halibut	0	\$ -							\$ -
Total Other Fishing	29	\$127,105.50	0	\$ -	0	\$ -	0	\$ -	\$ 127,105.50
NSEDC Community Outreach Liaisons	13	\$ 29,250.00							\$ 29,250.00
NSEDC Community Employment Program	0	\$ -							\$ -
Interns									
NSEDC Administration	0	\$ -							\$ -
NSFR&D	0	\$ -							\$ -
Total Interns	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Fisheries Technicians									
NSEDC Salmon Rehab.	3	\$ 22,056.30							\$ 22,056.30
Alaska Dept. of Fish & Game	0	\$ -							\$ -
Fisheries Development	0	\$ -							\$ -
Total Technicians	3	\$ 22,056.30	0	\$ -	0	\$ -	0	\$ -	\$ 22,056.30
GRAND TOTALS	99	\$926,149.19	0	\$ -	0	\$ -	0	\$ -	\$ 926,149.19
	NSEDC =	46	\$603,002.75	0	\$ -	0	\$ -	0	\$ 603,002.75
	NSSP =	38	\$164,250.65	0	\$ -	0	\$ -	0	\$ 164,250.65
	Partners =	15	\$158,895.79	0	\$ -	0	\$ -	0	\$ 158,895.79

Employment Summary

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

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

Community Breakdown: 9 employees from Unalakleet
 1 employee from Shaktoolik
 1 employee from Stebbins
 1 employee from Teller
 1 employee from Nome
 1 employee from St. Michael
From non-member communities:
 1 employee from Shishmaref
 1 employee from Anchorage

NSSP Employment (does not include administration) – Five residents of Norton Sound communities were employed during the quarter.

Community Breakdown: 1 employee from Unalakleet
 4 employees from Nome

Other NSEDC Employment – Three residents of Norton Sound communities and two from outside the region were employed during the quarter.

Community Breakdown: 1 employee from Unalakleet
 2 employees from Golovin
 2 employees from out of state

Other Fishing – Twenty-four fishermen delivered 10,727 pounds of winter open-access Norton Sound red king crab to NSSP during the quarter.

Community Breakdown: 7 fishermen from Nome
 5 fishermen from Elim
 3 fishermen from Golovin
 6 fishermen from Shaktoolik
 1 fisherman from St. Michael
 2 fishermen from Unalakleet

Four fishermen delivered 2,160 pounds of tom cod or other fin-fish to NSSP during the quarter.

Community Breakdown: 2 fishermen from Golovin
 1 fisherman from Shaktoolik
 1 fisherman from Unalakleet

One resident of NSEDC member communities worked aboard the *Aleutian No. 1* in the Bering Sea.

Community Breakdown: 1 employee from White Mountain

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

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

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

Community Breakdown:
1 employee from Nome
1 employee from Unalakleet
1 employee from Shaktoolik

Table 2
TRAINING DATA FORM
January 1 through March 31, 2012

	Quarter		Year-to-Date	
	People	Expenditures	People	Expenditures
Scholarships				
Post-Secondary	143	\$270,834	143	\$270,834
Vocational	17	\$33,000	17	\$33,000
Voc-Tech				
Basic	51	\$14,967	51	\$14,967
Advanced				
Other Training				
Fisheries Related	64	\$37,354	64	\$37,354
CDQ Staff				
CDQ Board	15	\$8,223	15	\$8,223
Other				
TOTAL	290	\$364,378	290	\$364,378

Training Summary

One hundred sixty students received funding for post-secondary and vocational education in the fourth quarter.

NSEDC's Board of Directors and many staff members received training on the concept of fuel hedging in relation to NSEDC's Consolidated Bulk Fuel program.

Twenty-six residents of White Mountain took a NSEDC-sponsored driver's permit class over two sessions in January and February. All participants passed their driver's test.

Fifteen residents of St. Michael took a NSEDC-sponsored driver's permit class in March.

Twenty residents of St. Michael participated in a NSEDC-sponsored net hanging class in February.

NSEDC sponsored the attendance of one Savoonga resident to the Young Fishermen's Summit in Juneau in February.

Thirty-seven residents of Savoonga participated in a NSEDC-sponsored GPS class in March.

Ten Unalakleet residents associated with the Native Village of Unalakleet Elders Services participated in a NSEDC-sponsored CPR training in March.

A total of five NSEDC/NSSP employees and one additional member community resident received training in refrigeration mechanics (2), marine safety instruction (3), and seafood production (1) during the quarter.

II. Administration

A. Board Activities

Board of Directors Meetings

The NSEDC Board of Directors held its 2011 fourth quarter meetings in Nome, Alaska, Jan. 31 – Feb. 1, 2012.

The NSEDC Board of Directors held a special meeting March 19, 2012 in Nome to primarily discuss and consider options before the North Pacific Fishery Management Council to limit the number of chum salmon taken as prohibited species catch in the Bering Sea pollock fishery. The Board also discussed 2012 salmon operations, NSEDC's Consolidated Bulk Fuel program, and other items.

Substantial Decisions

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

- The Board approved \$50,000 in funding for the Paul Johnson Memorial Norton Sound 450 sled dog race in addition to the \$20,000 previously donated.
- The Board approved the Community Review Committees' recommendations for \$647,342 in 2012 Outside Entity Funding (OEF) for projects proposed by 17 entities which are spread throughout NSEDC's 15 member communities.
- The Board approved \$75,000 in regional OEF funding for the Nome Volunteer Fire Department's proposal to purchase equipment that can be deployed to fight fires in regional communities outside of Nome.
- The Board approved \$25,000 in regional OEF funding for the Native Village of Unalakleet's proposal to provide elder in-home services in the region's southern communities.
- The Board approved the City of Nome's request for \$193,000 to repair its small boat harbor floats. The funding will come from NSEDC's shoreside infrastructure program.

- The Board approved endorsing a combination of alternatives that were before the North Pacific Fishery Management Council at its March 2012 meeting in regard to the prohibited species catch of chum salmon by the pollock fleet. The Board favored a hard cap of 15,600 chum in the June/July timeframe in addition to a season-wide cap of 125,000. The Board also expressed its dissatisfaction with the NMFS's analysis of the impacts of the June State of Alaska Area M fishery on the return of chum salmon to Western Alaska.
- The Board approved entering into an agreement with Clipper Seafoods for a processing vessel to help prosecute a pink salmon fishery in Norton Sound in the summer of 2012. The Board also approved additional transportation methods to be pursued in order to allow the fishery to proceed.
- The Board approved a three-year agreement with Delta Western for transportation costs for NSEDC's Consolidated Bulk Fuel program.

III. Harvesting Report

A. CDQ Harvest Management

During the first quarter of 2012 NSEDC conducted a number of CDQ fishing activities including the directed harvest of pollock, Pacific cod, yellowfin sole, rock sole, flathead sole, arrowtooth flounder, halibut and opilio crab.

Pollock

In the first quarter the *F/T Pacific Glacier* and *F/T Alaska Ocean* completed the harvest of 100% of NSEDC's A season pollock quota (10,727 metric tons). The A season harvest was fast and clean; the catch rates of pollock were high while Chinook salmon bycatch was low. PBO fillet block prices have trended downward to around \$3,100 per ton. However, prices have strengthened for other pollock products, including roe and surimi.

Pacific Cod

Overall, nearly half of NSEDC's Pacific cod quota was harvested in the first quarter. In the directed Pacific cod fishery the *F/V Alaska Mist* harvested 1,050 mt, the *F/V Pavlof* harvested 500 mt, and the *F/V Aleutian Sable* harvested 330 mt of NSEDC's CDQ in the first quarter. The *F/T Northern Glacier* harvested 340 mt as bycatch. Prices are softening significantly due to the large supply of Atlantic cod and the financial turmoil in Europe.

Yellowfin Sole, Flathead Sole, Rock Sole and Arrowtooth Flounder

In the first quarter the *F/T Northern Glacier* focused on CDQ rock sole, harvesting 2,550 mt (85%) of the pool's collective allocation. Halibut bycatch was lower than anticipated and prices have remained strong. The pool of four CDQ groups signed a three-year harvest agreement beginning in 2012.

Halibut

The season began March 17. NSEDC's CDQ quota (Area 4D) was cut 34% to 99,662 pounds.

Opilio Crab

In the first quarter the *F/V Aleutian No. 1* harvested 480,000 pounds of opilio and the *F/V Ramblin Rose* harvested 400,000 pounds, the sum of which is over half of NSEDC's total CDQ opilio quota. About one-third of the quota was contracted to be processed at Bering Fisheries, and the remaining quota with Alyeska and Trident. Ex-vessel prices remain strong this year at \$1.90, but are expected to weaken later in the season.

B. IFQ Harvest Management

During the first quarter, NSEDC managed fishing operations and the harvest of individual fishing quotas (IFQs) in Aleutian Island golden king crab and opilio crab.

Aleutian Islands Golden King Crab

The *F/V Aleutian No. 1* completed the harvest of NSEDC's Western Aleutian Islands golden king crab in the first quarter, totaling 296,713 pounds. Ex-vessel prices remain as strong as 2011 at \$3.50 per pound in Adak and \$3.75 per pound in Dutch Harbor.

Opilio Crab

The opilio crab fleet has experienced difficulty harvesting crab this year due to the unprecedented amount of sea ice in the Bering Sea. The Trident plant in St. Paul was closed due to ice for several weeks and the opilio fishing grounds have been completely covered with ice for several days at a time. The crab fishing has been consistently good in the small areas that have been ice-free, however, and over half of the overall opilio quota has been harvested. The fleet remains confident they can catch the remaining quota without extending the season, but that is a possibility if necessary. In the first quarter the *F/V Arctic Hunter*, the *F/V Tempo Sea*, the *F/V Bulldog*, the *F/V Baranof* and the Sea Boats collectively harvested over 50% of NSEDC's 2,186,344 pounds of IFQ opilio. Ex-vessel prices are around \$1.90.

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 first quarter of 2012.

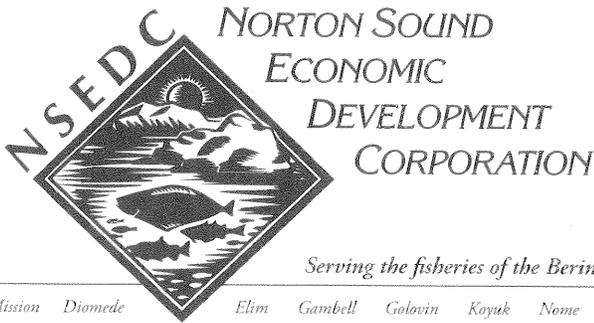
IV. Board of Directors Jan. 1 – March 31 Meeting Minutes (Attachments 1 & 2)

ATTACHMENT 1

2011 Fourth Quarter Meeting Minutes

January 31 – February 1, 2012

Nome, Alaska



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
Fourth Quarter Board of Directors Meeting
BSNC Boardroom
January 31-February 1, 2012
9:00 a.m.**

CALL TO ORDER

NSED C Board Chairman Dan Harrelson called the NSED C 2011 Fourth Quarter Board of Directors Meeting to order at 9:00 a.m. on January 31, 2012.

ROLL CALL

Present at the meeting were Dan Harrelson, Don Stiles, Eugene Asicksik, Joe Garnie, Orville Ahkinga Jr. (teleconference), Walter Seetot, Truman Kava, Lucy Kitchen, Elvina Naranjo, Wilfred Katcheak, Victor Joe, and Oscar Takak Sr. Joel James was absent and excused. William Johnson joined the meeting via teleconference at 9:22 a.m. Dean Peterson was absent and flying into Nome for the meeting.

Staff present were Janis Ivanoff, Simon Kinneen, Rick Walicki, Charlie Lean, Tiffany Martinson, Rich Ferry, Reese Huhta, Joel Cladouhos, Wes Jones, Kevin Keith, Paul Ivanoff III, Galsy Ashenfelter, Virginia Nashalook, Kyan Olanna, Sterling Gologergen, Kathy Wheelehan, and Jerry Ivanoff. John Eckels, Siu Alaska Corporation President/CEO, was also present.

Public present was Laurie McNicholas of the *Nome Nugget*.

INVOCATION

Oscar Takak gave the invocation.

APPROVAL OF AGENDA

Chairman Harrelson added Pollock Harvest Agreement, under old business in executive session, and Fisheries Related Proposals-City of Nome Small Boat Harbor Floats, under new business.

Oscar Takak Sr. made a motion to approve the agenda, as amended. Elvina Naranjo seconded the motion. The motion passed.

APPROVAL OF MINUTES

Eugene Asicksik made a motion to approve the NSED C Board Meeting Minutes of November 3 & 4, 2011 and December 5-8, 2011, as a block. Don Stiles seconded the motion.

Eugene Asicksik asked if we had a response from the U.S. Coast Guard exemption request; Janis replied it would be covered under the CEO's report, but yes, the exemption was granted. Eugene Asicksik asked if a clean copy of the budget was mailed out. Janis confirmed the budgets had been sent. Oscar Takak noted, on page ten of the November minutes, Area M Salmon Interception should have been 52 million.

The motion passed.

PUBLIC COMMENTS

Paul Ivanoff noted that many Unalakleet Residents thanked the board for the energy subsidy.

Charlie Lean spoke for Gay Sheffield on diseased seals in the Norton Sound area and noted the handouts provided containing more information. Chairman Harrelson asked for an update from Charlie on these diseased seals.

Janis Ivanoff noted the written public comments in the back of the packet.

CHAIRMAN'S REPORT

Chairman Harrelson noted his report provided in written form. He noted this last quarter was busy for staff. Eugene Asicksik asked about the people seated on the RPT. He asked about a more detailed report on the tender vessels from Reese; staff replied that the report would be given later. Eugene asked about the underwater cameras the board had previously approved for purchase and distribution to communities. Chairman Harrelson stated they have been purchased and given to the troopers and the intent is to train a number of individuals in each community on how to use them.

CEO's REPORT

Janis Ivanoff gave the CEO's Report, which was provided in the packet. Janis welcomed Sterling Gologergen and Casey Perkins to the staff. Janis outlined a workshop being planned for the board in March. Janis noted there will be a twenty year anniversary of the CDQ Program celebration during the last week in March in Anchorage. Staff included in the budget travel for the board to attend this celebration, which coincides with the NPFMC meeting. Janis noted the new regulations of the USCG and the recently-received exemption for local fishermen. Janis also noted the bylaws concerning representation, and that staff is working on a discussion for the next meeting.

FINANCIALS/INVESTMENT PORTFOLIO

Rick Walicki gave the NSEDC Financials/Investment Portfolio presentation.

SIU ALASKA CORPORATION REPORT-John Eckels

1. Glacier Fish Company

John Eckels gave the Siu Alaska Corporation Report, which was provided in the packet. He provided updates on operations for opilio fishing and golden king crab. 2011 was a good year for the Aleutian No.1, it is scheduled to go to shipyard for work. Chairman Harrelson asked about the Aleutian No.1's plan for finishing crab harvests. John noted their remaining fishing is golden king crab in Western Aleutians. John went on to the Glacier Fish Company report. Pollock fishing has been very good in the A season with large fish being caught. With the ice moving south, fishing has been occurring closer to Dutch Harbor. Eugene Asicksik asked if the fish are schooling together more as a result of the ice moving in, John confirmed they are and Eugene said that should mean less bycatch. Chairman Harrelson asked about the pollock roe. John noted we had about 3.3% roe recovery, which is pretty good. Eugene asked about the recovery rate of the pollock. Chairman Harrelson asked about the roe market, but no information was available as yet. John noted there was a small electrical fire on the F/V Glacier Bay, and that it steamed back to Dutch Harbor under its own power. Chairman Harrelson asked about vessel insurance for the *Glacier Bay*, discussion ensued. Eugene asked if the boat would harvest all the fish quota, John explained the timeline and said harvest time would be tight, but he anticipated we would harvest all our fish quota. On the F/V Pacific Star, Chairman Harrelson asked for clarification on the high expenses in 2011. John noted that depreciation was by far the largest component of that, and cash flow was positive. Chairman Harrelson asked about the length of the charter work for the *Pacific Star* which was about 120 days per John. John provided an update on the Bering Fisheries Plant and operations and noted they have received a line of credit which will help with purchasing product. Chairman Harrelson asked about the processing line changes. John noted the repairs and improvements. Eugene asked about the problem of fish discharge into the harbor. John noted the pressure from EPA to work on the discharge amounts. Chairman Harrelson asked about the cold storage, freezing capacity of the plant has not been a problem to date, but they are interested in exploring other options in the future. Chairman Harrelson

appreciated the presence of Terry Abarro of Bering Fisheries during the career fair in White Mountain. Chairman Harrelson thanked John for his hard work.

Tyler Rhodes and Howard Trickey joined the meeting at 9:57 a.m.

The board took a break at 9:54 a.m. The meeting reconvened at 10:11 a.m.

MANAGERS' REPORTS

1. Quota Management-Joel Cladouhos

Joel Cladouhos gave the Quota Management Report - 2011 was a good year. He highlighted chum and Chinook bycatch in our operations, which was well under the fleet average. Joel noted we caught 100% of our yellow fin sole last year compared to only 25% caught the year prior. Don Stiles asked if the CVRF vessel was harvesting our crab and delivering to Bering Fisheries. NSEDC crab is delivered to Bering Fisheries but CVRF brought their own crab elsewhere. Joel reported there was a significant cut in Area 4 halibut quotas for 2012, and that NSEDC's allocation would go from approximately 150,000 pounds down to about 100,000 pounds. Joel gave an ice update in the Bering Sea noting we should have ample time to harvest our full quota of crab. Joel covered the royalty revenues of our CDQs and IFQs. Chairman Harrelson thanked Joel for his hard work.

2. Southern and Northern NSSP

a. Reese Huhta

Reese Huhta gave the Southern NSSP Report, which was provided in the packet. Reese gave an update on the tender vessels, F/V Egavik and the Vision One, which will be renamed the F/V Daniel D. Takak. Reese noted that we hope to harvest more chum this year and also harvest pink. Reese noted the improvements being worked on now in preparation for the upcoming season. Reese noted that Val Anagick went to the ASPLI Training. Reese requested that board members direct people in their communities who may have had CDL or seafood training towards him for possible employment in Unalakleet. Eugene Asicksik asked for an update on the sale of the F/V Hwaka. Chairman Harrelson asked if we were taking the freezer plates off this vessel for possible use in our operations. Reese noted the freezer plates are in good shape, but he feels the vessel would have a better chance of selling if it is intact, the plates would only go into storage at this point. If it doesn't sell we will have to take it apart. Reese noted we are planning to work with roe of salmon and herring this year. Chairman Harrelson asked if we could work on this vessel with ice five feet thick, but Reese noted the vessel moved closer to the water after the last storm. Chairman Harrelson asked for an update on the roe production of our salmon.

Chairman Harrelson asked about the storage building built next to the plant and if the building is functional. Reese noted the concrete floor has been poured, but it needs electrical work to be ready for operation. Lucy Kitchen asked about the schedule for fishing. Chairman Harrelson asked about the need for our fishermen to have nets. Reese noted we do place orders in the fall and will assess if we need more. Eugene Asicksik noted that, in the past, we had to have our orders in in February. Chairman Harrelson voiced his appreciation for Reese's work.

b. Rich Ferry

Rich Ferry took the floor for the Northern NSSP Report, an update was provided to his written report. With the cold weather, winter crabbing has been slow, but the market in South Korea has enabled him to pay \$6.50 per pound to our fishermen at the dock. Rich went over the tender vessels and the sales of our inventory. Rich noted a new law regarding food safety, so he may need to do a budget amendment to purchase some software. Eugene Asicksik asked for clarification on the crab pots and the inventory of bait available. Chairman Harrelson asked for an update on the plans to upgrade the second floor of NSSC for offices. Rich stated he still needs to complete a business plan for presentation to the board. The supplies for an office space have been acquired.

Chairman Harrelson referenced the written reports in the board packet and asked if the board had any questions.

3. Written Reports

a. Community Benefits Department-Paul Ivanoff

Paul Ivanoff III noted the introduction of Sterling Gologergen earlier and welcomed her aboard. Eugene Asicksik asked if Sterling would take over the villages Roy had. Paul explained Sterling's job duties and the plan for future development in the region. Eugene asked about the proposals for fuel tank disposals and if the equipment would be available for use by the other villages. Paul Ivanoff noted the equipment was purchased by the City of Unalakleet. Chairman Harrelson clarified and noted Eugene should contact the City of Unalakleet to utilize their equipment to take down their 30,000 gallon tank. Chairman Harrelson asked Walter if Brevig Mission would need funds for their tank disposal; staff responded that they still have an open OEF grant for this project. Eugene asked about the City of Shaktoolik Washeteria Upgrade. Staff explained the budget amendment process.

b. EET Department-Jerry Ivanoff

Chairman Harrelson thanked Jerry for the permit class in White Mountain. Eugene Asicksik thanked Jerry for contacting him during the career fairs.

c. HR Department-Tiffany Martinson

There were no questions for Tiffany.

d. NFR&D-Charlie Lean

Eugene Asicksik asked if projects, other than those discussed at NSEDC's budget meeting, will they have to go through RPT for permitting. Charlie Lean noted they don't have to, but they will work with them. Charlie noted the work needed with the organizations for the mist incubation project in Unalakleet. Oscar Takak asked if NSFR&D had an ice auger for research work in their rivers. Eugene asked if the salt water would affect the salmon eggs in their river with the salt water going very far up the river with the last storm. Charlie noted that a short dose of salt water is not a big deal, if the eggs had already hatched. Chairman Harrelson asked about the ice thickness and its effects on the salmon fry due to the cold winter. Charlie gave an overview of the fish spawning capabilities with different water level scenarios.

The board took a break at 10:56 a.m. The meeting was reconvened at 11:09 a.m.

After asking for the board's indulgence, Chairman Harrelson turned the floor over to Howard Trickey, Legal Counsel for NSEDC in the Tim Smith Lawsuit, for an update before the committee reports. Howard described the lawsuit and explained each of Smith's complaints, and in turn, explained why the court rejected each one of these complaints. He also spoke to the recognition by the court that NSEDC had met the requirements of the 1995 settlement with Tim Smith and that the order made clear the corporation is free to amend its bylaws as it has been doing. Howard described the summary judgment as a complete victory and further elaborated on the appeals process and NSEDC's right to attorneys' fees. Kyan Olanna publicly thanked Howard for his work on this lawsuit and our complete victory.

Oscar Takak made a motion to go into executive session at 11:22 a.m. to go over the Tim Smith Lawsuit. Don Stiles seconded the motion. The motion passed.

Eugene Asicksik made a motion to return to regular session at 11:50 a.m. Elvina Naranjo seconded the motion. The motion passed.

The board took a lunch break at 11:51 a.m. The meeting reconvened at 12:35 p.m.

Dean Peterson joined the meeting at 12:18 p.m.

COMMITTEE REPORTS

1. Executive Committee Report

Chairman Harrelson gave the NSEDC Executive Committee Report.

Eugene Asicksik asked for clarification on the tender vessel options for 2012, and the plans for the *F/V Daniel D. Takak* (formerly the *Vision One Barge*). There was no action to be approved.

2. Scholarship Committee Report

Chairman Joe gave the NSEDC Scholarship Committee Report.

Elvina Naranjo was absent, so she informed the board that she thought the meeting was at ten and apologized. There was no action to be approved.

3. Fisheries Development Committee Report

Chairman Takak gave the NSEDC Fisheries Development Committee Report. Simon Kinneen updated the board on the Clipper Seafood Floating Processor Proposal for processing pink salmon and provided a handout. Chairman Harrelson asked Simon for his target number of pinks to be harvested with this vessel; Simon responded that Charlie Lean estimated 2,000,000 pounds at the high end, but that scenarios of 1-1.5 million pounds were also being analyzed.

Don Stiles made a motion to adopt the fisheries development committee report with its recommendations. Dean Peterson seconded the motion.

Under discussion, Chairman Harrelson asked for clarification on this proposal looking for final numbers and not preliminary numbers. Eugene Asicksik noted we have not harvested the 2 million pounds historically. Eugene voiced his concern for the processing and holding capacity for the pink salmon operation in 2012. Chairman Harrelson noted the executive committee thought this vessel could be used for Coho salmon. Simon Kinneen noted the need to talk with Clipper Seafoods for the tendering capacity. Chairman Harrelson thought, if we move forward with this, the board should give authority to the executive committee to approve. There was discussion of the potential for approving the final proposal at the March workshop.

The motion passed.

4. Rules & Bylaws Committee Report

Chairman Stiles gave the NSEDC Rules & Bylaws Committee Report. There was no action to be approved.

5. Finance Committee Report

Chairman Harrelson gave the NSEDC Finance Committee Report.

Janis Ivanoff brought up the loan repayment policy. Kyan Olanna clarified for the board the statutory requirements on loan repayments.

Don Stiles made a motion to adopt the NSEDC Finance Committee Report with all its recommendations. Oscar Takak seconded the motion. The motion passed.

6. Compensation Committee Report

Chairman Harrelson gave the compensation committee report and noted most of the meeting was held in executive session.

Elvina Naranjo made a motion to go into executive session at 1:01 p.m. to discuss the compensation committee report, the litigation update, and the Pollock Harvest Agreement. Lucy Kitchen seconded the motion. The motion passed.

Elvina Naranjo made a motion to return to regular session at 1:40 p.m. Oscar Takak seconded the motion. The motion passed.

Chairman Harrelson explained that the Pollock Harvest Agreement, scheduled for executive session, was covered by Joel, prior to returning to open session.

A break was taken at 1:40 p.m. The meeting reconvened at 1:55 p.m.

Don Stiles made a motion to adopt the NSEDC Compensation Committee Report with its recommendation. Oscar Takak seconded. The motion passed.

Don Stiles made a motion to adopt the compensation philosophy as a working document. Eugene Asicksik seconded the motion. The motion passed.

NEW BUSINESS

1. Paul Johnson Memorial NS 450

NSEDC CEO Janis Ivanoff noted the summary in the packet and brought this forth to see if the board wished to contribute to the sponsorship above \$20,000.

Don Stiles made a motion to provide \$50,000.00 for the Paul Johnson Memorial NS 450 in addition to the \$20,000.00 already approved. Dean Peterson seconded the motion.

Under discussion, Eugene Asicksik asked how many mushers would participate from the region. Chairman Harrelson gave an update on the number of mushers participating. William Johnson said he expected two locals to participate in the 450, and six to seven participating in the Portage 250 portion of the race. William felt this race would be self-sustaining in the future. Chairman Harrelson supported this race and voiced his concern for new territory that NSEDC is getting into. He felt this race will open the door for other similar requests from the region in racing like the Nome-Golovin Race. Eugene talked about the need to support the fifteen villages and the need to provide more in the future. Eugene saw this as benefitting our region. Speaking for the City of Shaktoolik, Eugene noted they have put up \$2,000.00 for trail staking for this race. Chairman Harrelson spoke of the economic impacts of this race on the region and our villages. Eugene asked if this was a one-time request or annually. William reiterated this is a one-time request. Eugene noted the Nome Kennel Race might ask for funding in the future.

The motion passed with William Johnson abstaining.

2. CDQ Program 20-year Anniversary

NSEDC CEO Janis Ivanoff noted WACDA is planning a CDQ 20 Year Anniversary event on March 29, 2012. They would like NSEDC to name two individuals to recognize from our region for their contributions to the program. Dean Peterson recommended Victor Joe and Dan Harrelson. Chairman Harrelson declined. Chairman Harrelson recommended Jerry Ivanoff's name be submitted, as he has been working since the beginning.

Dean Peterson made a motion to forward the names of Victor Joe and Jerry Ivanoff to WACDA. Elvina Naranjo seconded the motion. The motion passed.

3. 2012 Outside Entity Funding

Janis Ivanoff and Paul Ivanoff referenced the packets for the 2012 Outside Entity Funding, providing information on the proposals.

a. Community Funding

Don Stiles made a motion to adopt the Community Review Committee recommendations. Oscar Takak seconded the motion.

Chairman Harrelson asked about the funding available from the organizations from previous years. Elvina Naranjo asked if their remaining funds would roll over from last year to next year. Staff confirmed this.

The motion passed.

Eugene Asicksik asked Paul Ivanoff for clarification on the Shaktoolik Washeteria Upgrade and the need to purchase another pump to make it work. Galsy Ashenfelter stated Shaktoolik needs to stay in the previous budget amount, but the funds could be moved around within the budget. Galsy stated we could do a budget amendment if needed. Galsy informed him he could continue with the project.

b. Regional Entity Funding

Paul Ivanoff referred the board to the regional entity funding proposals, noting seven proposals were submitted. Paul went over the budget and the amount requested. Eugene Asicksik, speaking with regard to the Nome Fire Department Request, felt this proposal would benefit all the villages. Chairman Harrelson concurred with Eugene that our villages would benefit. Oscar Takak voiced his support of the regional elders' facility proposal from Unalakleet. He felt the region's elders need a program like this. Chairman Harrelson asked for clarification on the employment of an individual in each of the communities to participate in the program. Eugene asked if this would be additional to what is already being provided. William Johnson noted that, if we have five regional coordinators, we would be able to assist our elders throughout the region. William noted this proposal is trying to make it easier for our people to take care of their elders. He recognizes the need as he is immersed in the care of his elderly mother. This would serve as a model for the whole region. Eugene asked if the Stebbins Elders' Facility is still in operation. Wilfred Katcheak and William noted this facility was for assisted living capabilities. Chairman Harrelson asked for further recommendations of support from the board on the other proposals. Lucy Kitchen voiced her support of the AVEC abandoned fuel tank removal proposal. Chairman Harrelson asked for clarification on whose responsibility it is to get rid of the tanks. Paul Ivanoff noted it is the responsibility of the communities. Chairman Harrelson asked about the amount requested of \$418,000.00 for four communities. Paul noted they were Elim, Koyuk, St. Michael and Wales. Eugene voiced his support for the proposal from Kawerak on the small business mentorship. Paul Ivanoff stated the board awards grants with the small business initiative, where they could access grants. A discussion was held on the small business program and other funding opportunities. Dean Peterson noted the fire in Gambell. Joe Garnie stated we have poor fire-fighting equipment in our villages and voiced his support of the NFD request due to situations like Chevak. Dean asked if any of these proposals have matching funds. Chairman Harrelson asked if the board wished to fund \$75,000.00 for the Nome Fire-Fighting Proposal and \$25,000.00 for the Unalakleet Elder Care Proposal. Lucy Kitchen voiced her support for fire-fighting capabilities in our villages. Chairman Harrelson noted the Nome Fire Department is willing to provide training, if our villages transport their people for the training.

Dean Peterson made a motion to support the Nome Fire Department proposal of \$75,000.00 and \$25,000.00 for the Native Village of Unalakleet. Eugene Asicksik seconded the motion. The motion passed.

c. Fisheries Related Proposals-Nome Small Boat Harbor Floats

NSEDC CEO Janis Ivanoff introduced the proposal from the City of Nome for repair of the Nome Small Boat Harbor supports. Janis noted the request is for \$193,126.00. Paul Ivanoff expanded on the funding request from the City of Nome noting the Nome Boat Harbor Usage has increased since it was built. Chairman Harrelson noted the amount requested and whether there was federal funds provided for maintenance. Paul Ivanoff noted the City of Nome pays for the harbor. Charlie Lean explained how the City of Nome receives funding from user fees, and that it is intended to be self-supporting. Eugene Asicksik noted the City of Nome does get mooring fees. Eugene questioned the process for fishery-related proposals being considered. Paul Ivanoff clarified it was a classification error and took full

responsibility for this proposal not being considered at the December budget meeting as it should have been. Eugene asked when the proposal is designated to be fisheries-related or not, and whether there was notification to the applicant and the NSEDC Board of Directors. Paul Ivanoff stated the classifications were made by staff in advance of the budget meeting, and that fisheries-related funding requests were submitted to the board during the budget meeting. Eugene asked about his funding request, which was a letter requesting assistance. Janis responded that she saw this letter from Eugene, which said he'd like to talk to staff about this project but did not include a budget or meet the criteria of being a proposal. Paul Ivanoff explained what was required in an application for OEF funding, and that Eugene's letter didn't qualify as an application. Chairman Harrelson asked for clarification on the usage of the Nome Dock and the other vessels being moored. In the interest of safety, Chairman Harrelson recommended the board fund this proposal from the City of Nome. Simon explained this proposal should not come have through NSFR&D as most of the fisheries-related projects do, but through the Shoreside Infrastructure Program instead.

Wilfred Katcheak made a motion to approve the City of Nome's Request using funds from the shore-side infrastructure program. Oscar Takak seconded the motion.

William Johnson recommended staff work with more communities to increase the number of Shoreside Infrastructure project requests. Eugene Asicksik asked how much the City of Nome requested. The request was for \$193,000.00.

The motion passed.

Eugene Asicksik stated he had a question and then read the OEF Proposal Process and funding availability policies. Chairman Harrelson noted this funding proposal was lost in the process.

PUBLIC COMMENTS

There were none provided.

BOARD COMMENTS

- Oscar Takak thanked the board on behalf of Elim for the energy subsidy.
- Eugene Asicksik concurred with Oscar and thanked the board for the \$125,000.00 for Shaktoolik's Proposals. He stated that as the mayor they send their fish to Unalakleet and crab to Nome. He thinks they need to build a processing facility in Shaktoolik to provide economic development. He noted the upgrades coming up in Shaktoolik.
- Elvina Naranjo thanked the board and staff for their hard work and encouraged them to continue.
- Lucy Kitchen, on behalf of the City of Wales, thanked the board for the \$500.00 for energy subsidy.
- Walter Seetot thanked the board for the energy subsidy for the City of Brevig Mission.
- Joe Garnie and Wilfred Katcheak had no comment.
- Victor Joe thanked the board for the energy assistance.
- Truman Kava thanked the board for the energy subsidy.
- Don Stiles thanked staff for their work to assist our region. Thanks for support of the Nome Fire Department Proposal. As far as search and rescue funding, thank you.
- Dean Peterson thanked staff for their hard work.
- Orville Ahkinga Jr. wondered he would receive a 1099 for the energy assistance. Janis noted that it is taxable income, but NSEDC will not submit the 1099. Galsy noted it should be reported in the taxes of 2012.
- William Johnson apologized for not being there in person, thanked the board and staff for their hard work. Thanks to the board for their hard work done in our committees. William noted that

he heard from a YDFDA resident on our energy subsidy. Chairman Harrelson told William to take good care of his mom.

- Dan Harrelson thanked the board and staff for their hard work.

ADJOURNMENT

Oscar Takak made a motion to adjourn the NSEDC 2011 Fourth Quarter Board of Directors Meeting at 2:52 p.m. on January 31, 2012. Elvina Naranjo seconded the motion. The motion passed.

Dan Harrelson, Chairman

Jerry Ivanoff, NSEDC Corporate Secretary

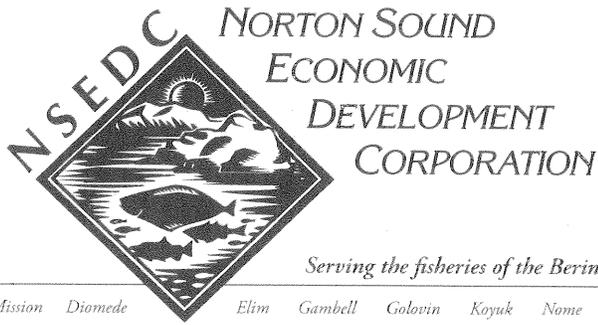
Date

ATTACHMENT 2

Special Board of Director's Meeting Minutes

March 19, 2012

Nome, Alaska



FILE COPY

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

Norton Sound Economic Development Corporation
Special Board of Directors Meeting
BSNC Boardroom
March 19, 2012
1:00 p.m.

CALL TO ORDER

Chairman Dan Harrelson called the Special Board of Directors meeting to order at 12:50 p.m.

ROLL CALL

Present: Orville Ahkinga, Eugene Asicksik, Joe Garnie, Dan Harrelson, Joel James, Victor Joe, Wilfred Katcheak, Truman Kava, Lucy Kitchen, Elvina Naranjo, Dean Peterson, Walter Seetot, Don Stiles, and Oscar Takak. William Johnson was absent and excused. Staff Present: Yvonne Ashenfelter, Paul Ivanoff III, Simon Kinneen, Tyler Rhodes, Charlie Lean, Kathy Wheelehan, Janis Ivanoff, and Joel Cladouhos.

INVOCATION

Oscar Takak gave the invocation.

Oscar Takak was excused for an appointment at 12:55 p.m. Sterling Gologergen joined the meeting at 1:05 p.m. Tiffany Martinson joined the meeting at 1:15 p.m.

PUBLIC COMMENTS

There were no public comments.

APPROVAL OF AGENDA

Chairman Harrelson asked to add Chum Bycatch as item one under Old Business. Under New Business, Board Insurance, to be discussed in executive session, was added as item four and 20 Year Celebration Update was added as item five.

Elvina Naranjo moved, seconded by Dean Peterson, to approve the agenda as amended. The motion passed unanimously.

WAIVER OF APPROVAL OF MINIUTES – January 31, 2012

Eugene Asicksik moved, seconded by Victor Joe, to waive approval of the January 31, 2012 Board of Directors meeting minutes. The motion passed unanimously.

OLD BUSINESS

Chum Bycatch

Based on discussion at the Chum Bycatch workshop held that morning, Chairman Harrelson asked if staff prepared a draft motion for consideration by the Board.

Don Stiles moved, seconded by Dean Peterson, that the NSED C endorse a combination approach to limiting chum salmon bycatch in the pollock fishery, utilizing both a June/July cap of 15,600 as a means to limit chum harvest when its effect on Norton Sound is greatest, as well as an overall hard cap of 125,000 to limit the take in total. In addition to this, NSED C staff should also communicate the

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

Corporation's dissatisfaction with the treatment of impacts of the June Area M fisheries to western Alaskan chum salmon in the analysis, noting that the Council specifically requested that this be expanded.

Further, the board recognizes that rehabilitation and enhancement projects can play an important role in the recovery of depressed stocks, and staff should explore potential opportunities for additional associated activities, funded both through industry and corporation support.

Joe Garnie asked when NSEDC plans to share this endorsement with the NPFMC. Janis noted the NPFMC is meeting next week. NSEDC would provide this endorsement in the form of a letter.

The question was called. The motion passed with one opposed.

2012 Salmon Operations – executive session

Elvina Naranjo moved, seconded by Walter Seetot, to go into executive session. The Board went into executive session at 1:00 p.m.

Eugene Asicksik moved, seconded by Lucy Kitchen, to return to regular session. The Board returned to regular session at 2:10 p.m.

The Board took a ten minute break at this time.

Action, regarding discussion held in executive session, was taken later in the meeting.

Tenders – 2012 plan/update

At the last meeting, staff was given direction to look into three different tender options. One option was to check on getting a better price for the Quiet Cove vessel. The seller is not willing to come down on the price. The sale price combined with the cost to modify the vessel for our needs eliminate this as an option. Staff talked with Prowest/Bob Gilman about leasing an LCM 8 for the season. Their company needs the vessel for their summer operations. At this point, staff is investigating other lease options. Clipper Seafoods has been approached about packaging a tender vessel into the processing agreement. There was discussion about the processing vessel tendering salmon directly. The size of the Clipper vessel is a safety concern for tendering directly to it. Staff will explore the option of installing a pump.

Chairman Harrelson asked about the purchase of Henry Ivanoff's vessel. Reese is looking into the equipment necessary for the vessel. It is scheduled to be ready for the season. Simon gave an update on the status of all NSSP owned tender vessels.

Staff is not looking for any action at this meeting. They will have lease terms ready for consideration at the April meeting. Costs for a new build for 2013 will be presented at the April or August meeting.

Oscar Takak and Wes Jones joined the meeting at 2:35 p.m.

Salmon Operations as discussed in executive session - *Don Stiles moved, seconded by Joel James, to authorize staff to enter into an agreement with Clipper Seafoods for a processing vessel for a pink salmon fishery and to authorize staff the flexibility to seek other transportation options as needed. The question was called. The motion passed unanimously.*

NEW BUSINESS

Bulk Fuel Program – Multi-year Option – executive session

Discussion was held in executive session.

Dean Peterson moved, seconded by Eugene Asicksik, to accept the multi-year agreement with Delta Western for three years.

Delta Western was awarded the 2012 contract. It will count as the first year. Being in the three year agreement does not mean NSEDC is locked into a set amount of fuel each year. The price locked in is the cost to transport the fuel. The price of the fuel is going to vary depending on the three day average of when it is lifted. Janis Ivanoff noted another cost savings of agreeing to a three year contract is that NSEDC will not have to go out to bid every year.

The question was called. The motion passed unanimously.

Snake River Bridge Relocation – Land Purchase Proposal

Simon Kinneen stated the State is ready to move forward with this project. They are in the process of acquiring the necessary property and plan to start work this summer. The State would like to purchase a corner of NSEDC's property. An appraiser valued it at over \$41,000 and the offer to purchase is for \$42,000. The land is not filled at this point and is not being used. Janis asked if the State will cover any costs associated with the purchase and Chairman Harrelson asked if there are any concerns about the increased accessibility this may provide to NSEDC property. It is an elevated roadway, the approach will be eight feet off the ground, and a fence will be installed at the foot of the fill. It can be arranged that our fence is connected to the State's and ensure any costs, such as re-platting are covered.

Eugene Asicksik moved, seconded by Oscar Takak, to sell the proposed NSEDC property to the State of Alaska for \$42,000 for the Snake River Bridge relocation project. The question was called. The motion passed unanimously.

401(k) Program Resolution

Janis Ivanoff explained when NSEDC switched from Associates in Excellence to Wespac this resolution should have been passed and provided to them. It will be post-dated to December 30, 2011.

Eugene Asicksik moved, seconded by Dean Peterson, to pass resolution 12-02 regarding the 401(k) program. The motion passed unanimously.

Board Insurance – executive session

This item was discussed in executive session.

20 Year Celebration Update

Janis said she'll be sending the agenda to the board. The celebration is on March 30th, each CDQ group will do a presentation that day and a banquet will be held in the evening at the Dena'ina center. Travel and lodging has been booked.

Chairman Harrelson gave board members an opportunity for comments. Orville Ahkinga stated the Diomed City Council is getting organized and will have a public meeting to discuss the Community Benefit Share (CBS).

Lucy Kitchen asked if there was any problem with holding another Wales community meeting for the CBS and delaying it until after April 13. Janis said staff is willing to work the communities and a staff member will be present at the meeting, as requested.

ADJOURNMENT

Oscar Takak moved, seconded by Joel James, to adjourn the meeting. The meeting adjourned at 2:53 p.m.