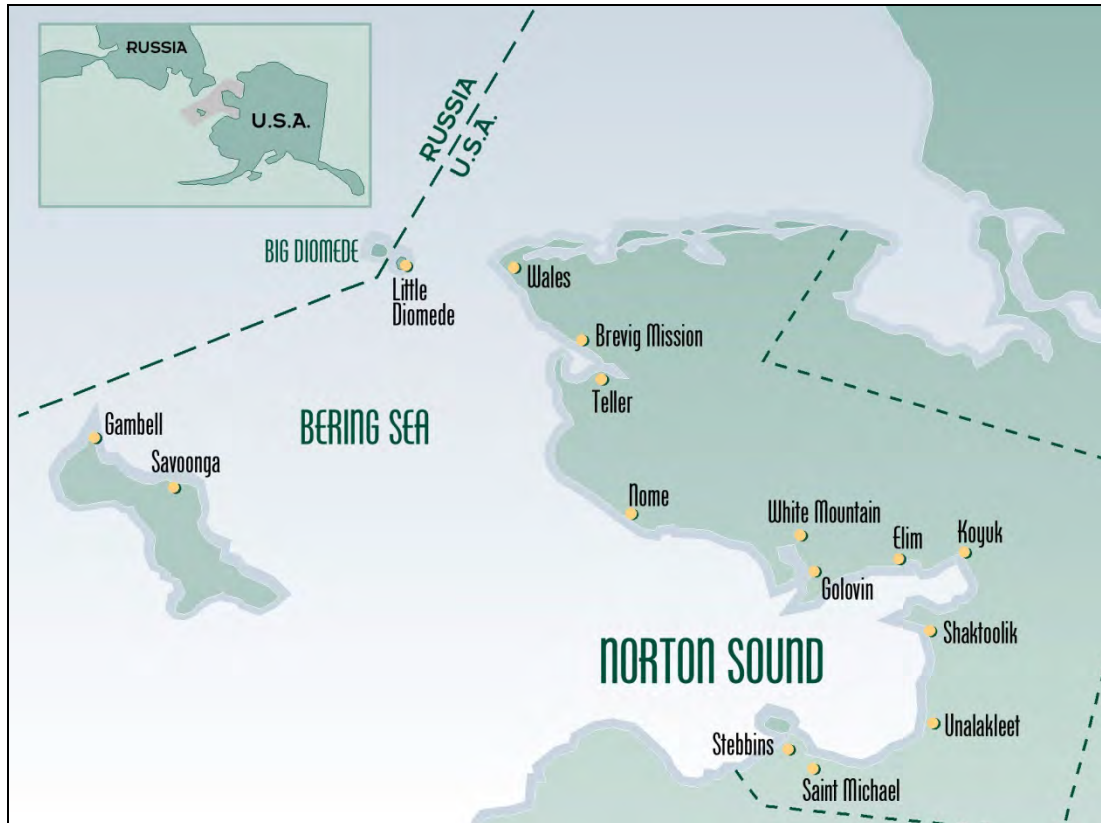


# 2007 FOURTH QUARTER REPORT

October 1 – December 31, 2007



## NORTON SOUND ECONOMIC DEVELOPMENT CORPORATION

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

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## **I. Quarterly Highlights**

- The NSEDC Board of Directors held their third quarter meetings in Nome from October 29-November 2, 2007.
- Camille Cruz was hired as Human Resources Director and Richard Tremaine was hired as Norton Sound Investment Company Manager.
- NSEDC awarded \$16,673 to nine residents in scholarships during the fourth quarter.
- Twenty-four residents of member communities or of nearby communities worked on the *F/V Northern Glacier*, *F/V Pacific Glacier*, and the *F/V Glacier Bay* earning a total of \$197,921.76 in wages in the fourth quarter.
- Ten residents successfully completed the Fisheries Safety Orientation Class held October 14-23 of the fourth quarter.
- Two residents started a six-month refrigeration training program in Phoenix, Arizona in October of the fourth quarter.
- The NSEDC Board of Directors declared a \$100,000 Community Benefit Share for each of NSEDC's fifteen member communities for 2007 in the fourth quarter.
- NSFR&D staff assisted Kawerak in retrieving the Pilgrim River Weir.
- In the fourth quarter, NSFR&D met with biometricians and managers at the Alaska Department of Fish and Game on the 2008 projection for the Norton Sound Red King Crab fishery.
- NSFR&D staff attended the Southern Norton Sound advisory committee meeting in Unalakleet on October 12<sup>th</sup>.
- The 2007 Clean Waters Program was completed in the fourth quarter. There was 208,020 tons of debris removed as well as 122 drums from the flood plain of the Fish River.
- NSEDC distributed a newsletter to all NSEDC member community box holders in the fourth quarter.

## **A. Outreach**

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

- NSEDC Board of Directors held their 2007 third quarter meetings in Nome from October 29-November 2, 2007 at the Bering Straits Native Corporation boardroom; these meetings were open to the public.
- NSEDC Board of Directors notified residents of the 2007 third quarter meetings by placing an ad in the Nome Nugget Newspaper.
- NSEDC placed three newspaper advertisements during the fourth quarter.
- NSEDC staff traveled to Teller in October to assist with proposal applications and meet with City office staff.
- NSEDC staff traveled to Wales in October to assist with a City re-organization.
- NSEDC staff worked with many regional organizations to assist with the NSEDC Funding Request Application.
- NSEDC has Community Outreach Liaisons in thirteen of our member communities with Community Development Coordinators, Paul Ivanoff III and Fred Eningowuk, serving Unalakleet and Nome, respectively, as well as assisting the other member communities. The NSEDC liaisons are sent informational fliers, applications, and other information to circulate within their communities.
- NSEDC has a web page on the internet ([www.nsedc.com](http://www.nsedc.com)) in which constituents can access quarterly reports, newsletters, applications, and information regarding opportunities with NSEDC.
- NSSP has a web page on the internet ([www.nortonsoundseafood.com](http://www.nortonsoundseafood.com)).

## B. Employment

### Employment Data Form

**Table 1**  
**EMPLOYMENT DATA FORM**  
**December 31, 2007**

	Quarter		Year-to-Date	
	People	Wages	People	Wages
<b>Management/Administrative</b>				
NSEDC	7	\$126,995.58	38	\$487,053.69
NSSP	8	\$84,919.29	21	\$292,923.45
<b>Total Management/Administrative</b>	<b>15</b>	<b>\$211,914.87</b>	<b>59</b>	<b>\$779,977.14</b>
<b>CDQ Pollock Related</b>				
A/B Season	23	\$186,205.19	69	\$558,615.57
C/D Season	0	\$0.00	22	\$188,562.79
<b>Total Pollock Related</b>	<b>23</b>	<b>\$186,205.19</b>	<b>91</b>	<b>\$747,178.36</b>
<b>NSSP Employment</b>	<b>86</b>	<b>\$37,339.86</b>	<b>268</b>	<b>\$535,239.78</b>
<b>Other NSEDC Employment</b>				
Skippers, Deckhands, Shoreside, etc.	8	\$5,720.00	21	\$93,895.00
<b>Total Other NSEDC Empl.</b>	<b>8</b>	<b>\$5,720.00</b>	<b>21</b>	<b>\$93,895.00</b>
<b>Other Fishing</b>				
GFC - Longline	1	\$12,123.92	5	\$76,154.48
O/A Norton Sound Winter Red King Crab	0	\$0.00	0	\$0.00
O/A Norton Sound Red King Crab	26	\$94,925.66	54	\$717,240.91
NSEDC CDQ Red King Crab	0	\$0.00	8	\$36,185.00
YDFDA CDQ Red King Crab	0	\$0.00	7	\$20,622.50
Norton Sound Salmon	72	\$80,290.04	154	\$680,131.39
Norton Sound Herring	0	\$0.00	0	\$0.00
NSEDC CDQ Halibut	19	\$67,232.59	37	\$361,312.49
<b>Total Other Fishing</b>	<b>118</b>	<b>\$254,572.21</b>	<b>265</b>	<b>\$1,891,646.77</b>
<b>NSEDC Community Outreach Liaisons</b>	<b>13</b>	<b>\$19,500.00</b>	<b>13</b>	<b>\$78,000.00</b>
<b>Interns</b>				
NSEDC Administration	2	\$11,448.67	7	\$29,688.03
NSEDC Salmon Rehab.	2	\$6,774.34	9	\$61,121.52
Alaska Dept. of Fish & Game	2	\$3,261.38	9	\$64,154.31
Kawerak, Inc.	3	\$2,008.64	12	\$90,575.20
Native Village of Unalakleet	0	\$0.00	1	\$4,400.00
Fisheries Development	9	\$15,111.66	44	\$89,210.13
<b>Total Interns</b>	<b>18</b>	<b>\$38,604.69</b>	<b>82</b>	<b>\$339,149.19</b>
<b>GRAND TOTALS</b>	<b>281</b>	<b>\$753,856.82</b>	<b>799</b>	<b>\$4,465,086.24</b>
	<b>NSEDC =</b>	<b>\$190,820.27</b>	<b>NSEDC =</b>	<b>\$998,097.88</b>
	<b>NSSP =</b>	<b>\$364,707.44</b>	<b>NSSP =</b>	<b>\$2,643,655.52</b>
	<b>Partners =</b>	<b>\$198,329.11</b>	<b>Partners =</b>	<b>\$823,332.84</b>

## **Employment Summary**

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

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

**Community Breakdown:**

- 9 employees from Stebbins
- 7 employees from Unalakleet
- 2 employees from Shishmaref
- 3 employees from Teller
- 3 employees from Anchorage
- 3 employees from St. Michael
- 2 employees from Nome
- 1 employee from Brevig Mission
- 1 employee from Koyuk
- 1 employee from Nulato
- 1 employee from Mountain Village

**NSSP Employment** – NSEDC employed 86 employees in Nome during the quarter.

**Community Breakdown:**

- 72 employees from Unalakleet
- 7 employees from Nome
- 3 employees from Savoonga
- 3 employees from Elim
- 1 employee from Shaktoolik

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

**Community Breakdown:**

- 7 employees from Shaktoolik
- 1 employee from Unalakleet

### **Other Fishing –**

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

**Community Breakdown:**

- 1 employee from Elim

Twenty-six fishermen were paid bonuses for Open Access Norton Sound red king crab during the quarter.

**Community Breakdown:**

- 13 fishermen from Nome
- 6 fishermen from Shaktoolik
- 3 fishermen from Unalakleet
- 1 fisherman from White Mountain

1 fisherman from Golovin  
1 fisherman from Elim  
1 fisherman from Naknek

Nineteen fishermen were paid bonuses for Halibut during the quarter.

**Community Breakdown:** 8 fishermen from Nome  
1 fisherman from Elim  
10 fishermen from Savoonga

Seventy-two fishermen were paid bonuses for Salmon during the quarter.

**Community Breakdown:** 44 fishermen from Unalakleet  
16 fishermen from Shaktoolik  
11 fishermen from Elim  
1 fisherman from Tennessee

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

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

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

**Community Breakdown:** 4 interns from White Mountain  
2 interns from Nome  
7 interns from Unalakleet

**ADF&G:** 2 interns from Nome

**Kawerak:** 3 interns from Nome

## Training

### Training Data Form

**Table 2**  
**TRAINING DATA FORM**  
**October 1 thru December 30, 2007**

	Quarter		Year-to-Date	
	People	Expenditures	People	Expenditures
<b>Scholarships</b>				
Post-Secondary	8	\$14,673.00	197	\$332,577.99
Vocational	1	\$2,000.00	39	\$66,000.00
<b>Voc-Tech</b>				
Basic				
Advanced				
<b>Other Training</b>				
Fisheries Related	19	\$91,477.96	32	\$124,320.60
Student Loans				
CDQ Staff			5	\$23,909.41
CDQ Board				
Other			2	\$524.82
<b>Other Expenditures</b>				
To Education Institute				
Education Endowment				
<b>TOTAL</b>	<b>28</b>	<b>\$108,150.96</b>	<b>275</b>	<b>\$547,332.82</b>

### Training Summary

Nine students received funding the in fourth quarter: Eight students received funding for post-secondary; one received funding for vocational education and nineteen students received Other Training.

## II. Administration

### A. Board Activities

#### Board of Director Meetings

The NSEDC Board of Directors held their 2007 third quarter meetings in Nome from October 29-November 1, 2007.

The NSEDC Board of Directors held their Annual Meeting of Members in Nome on November 2, 2007.



The NSEDC Board of Directors held their Annual Meeting of Directors in Nome on November 2, 2007.

The NSEDC Board of Directors held a special meeting in Seattle, Washington on November 15, 2007.

The NSEDC Board of Directors held a special meeting in Anchorage on December 11, 2007.

The NSEDC Board of Directors held a special meeting via teleconference on December 21, 2007.

### **Substantial Decisions**

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

- The Board of Directors declared a \$100,000 Community Benefit Share for 2007.
- The Board of Directors moved to set up a Foundation to protect the education endowment.
- With the resignation of the Chief Executive Officer, the Board of Directors appointed Janis Ivanoff as Interim Chief Executive Officer, appointed the Executive Committee to direct the new CEO hiring process, and appointed Simon as the primary CDQ Panel member until a new CEO is hired.
- The Board of Directors split the Nome and Unalakleet NSSP Operations into Southern Norton Sound (salmon) and Northern Norton Sound (crab and halibut).
- The NSEDC Board of Directors adopted a revised mission statement: *NSEDC will participate in the Bering Sea fisheries to provide economic development through education, employment, training and financial assistance to our member communities.*
- New Hires: Camille Cruz, Human Resources Director and Richard Tremaine, Norton Sound Investment Company Manager

## **III. Harvesting Report**

### **CDQ Harvest Activities**

During the fourth quarter, NSEDC conducted CDQ target fisheries in the BSAI for pollock, Pacific cod, Atka mackerel/Pacific Ocean perch, sablefish, yellowfin sole/rock sole, opilio crab and halibut in the region and offshore.

#### **Pollock**

NSEDC harvested 1,167 metric tons of CDQ pollock in the Bering Sea using the *F/V Pacific Glacier* during the fourth quarter. Fishing in 2007 yielded a

catch of 30,649 metric tons of pollock, which equates to 99.9% of NSEDC's allocation.

### **Pacific Cod**

The fourth quarter harvest of NSEDC Pacific cod totaled approximately 103.5 tons. About 18.5 tons were taken between *F/V Norton Sound* and *F/V Glacier Bay*. The other 85 tons were taken in clean up fishing through YDFDA. NSEDC harvested approximately 2,280 tons of Pacific cod in 2007 which is roughly 99% of the allocation for the year.

### **Atka Mackerel/Pacific Ocean Perch**

NSEDC has quotes in 3 areas; they are combined for this report.

In the fourth quarter, NSEDC harvested about 447 tons of Atka mackerel and 157 tons of Pacific Ocean Perch. In all of 2007, NSEDC harvested approximately 661 tons of Atka mackerel and 186 tons of Pacific Ocean Perch (POP), which accounted for our entire quota. Close to 90 tons of additional Atka mackerel and 69 tons of POP were transferred to NSEDC by APICDA in July for harvest through NSEDC, which allows for more thorough harvest by NSEDC quotas. All directed harvest in these fisheries were undertaken by the *Seafreeze Alaska* and the *Ocean Alaska*, both of which are managed by U.S. Seafoods.

### **Yellowfin Sole**

In the 4<sup>th</sup> quarter, NSEDC harvested 258 tons of yellowfin sole. For all of 2007, NSEDC harvested 923 tons of yellowfin sole (a portion of which was for APICDA), which represented the take of 100% of our allocation. All directed harvest in this fishery was undertaken by the *Seafreeze Alaska* and the *Ocean Alaska*, both of which are managed by U.S. Seafoods.

### **Sablefish (black cod)**

There was no directed harvest of black cod in the 4<sup>th</sup> quarter. The yearly total directed harvest of Aleutian Islands black cod was about 60 tons, out of a total allocation of 97 tons. The majority of the 53 tons of Bering Sea black cod was transferred to YDFDA for harvest. Fishing operations for CDQ black cod took place on the fishing vessel *Sea Venture*, a boat using pot gear.

### **Bristol Bay Red King Crab**

NSEDC's annual allocation of Bristol Bay Red King Crab CDQ was fished by the *F/V North Sea* in the 4<sup>th</sup> quarter. The total allocation of 366,894 pounds was taken.

### **Bering Sea Opilio Crab**

NSEDC's 2007/2008 CDQ allocation of Bering Sea opilio crab is 1,134,612 pounds. A transfer in the amount of 400,000 pounds was made to YDFDA for harvest by the *F/V Baranof* (a catcher-processor) and the remaining 734,612 pounds is reserved for the *Aleutian No. 1*. Fishing will start around January 10 for CDQ and IFQ opilio.

### **Bering Sea Bairdi Crab**

NSEDC's 2007/2008 CDQ allocation of Bering Sea Bairdi crab is approximately 62,000 pounds in the eastern district and 39,168 pounds in the western district. Of the allocations, 75% of each has been allocated to the *F/V Baranof*, a catcher-processor, for harvest. A portion of this harvest occurred in the 4<sup>th</sup> quarter, and the rest will take place in the 1<sup>st</sup> quarter of 2008. Per regulation, only 75% of CDQ crab

### **Aleutian Island Brown Crab**

NSEDC's 2007/2008 CDQ allocation of brown crab (63,000 pounds) was harvested by the *Aleutian No. 1* in the 3<sup>rd</sup> quarter.

## **IFQ Management**

### **Sablefish (black cod)**

NSEDC harvested a total of 306,197 pounds of sablefish out of 316,070 available in 2007. 6,000 pounds of the IFQ was leased to help fill a trip. The *Clipper Express* managed by Clipper Seafoods harvested 126,000 pounds of IFQ black cod in the Western and Central Gulf. The *Current* and *Bravado*, managed by Fishermen's Wild Alaska Seafood harvested 115,587 pounds of IFQ black cod in the Central Gulf. The *Norton Sound* and *Glacier Bay* harvested 8,032 pounds of black cod in the IFQ in the Bering Sea. The *Norton Sound* harvested 56,308 pounds of black cod IFQ in the Aleutian Island.

### **Halibut**

NSEDC's 3B IFQ halibut was harvested in July and September. The entire total of 25,593 pounds of quota was taken by the *Bravado* and the *Alaskan Pride*, managed by Fishermen's Wild Alaska Seafood.

### **Crab 2007/08**

NSEDC's 2007/08 Bristol Bay Red King Crab IFQ amount of 82,800 pounds was fished by the *North Sea* managed by Kris Poulsen and Associates. There

were approximately 2,000 pounds not caught in the 4<sup>th</sup> quarter and cleanup fishing will occur in the 1<sup>st</sup> quarter of 2008.

NSEDC's IFQ for opilio crab is further split into catcher processor (CPO) quota and catcher vessel (CVO) amounts. The CPO amount of 196,900 pounds is assigned to the *F/V Baranof* while the CVO total of 290,278 pounds will go to the *Aleutian No. 1*. Most of this harvest will occur in the 1<sup>st</sup> quarter of 2008.

NSEDC's IFQ allocation of bairdi crab, approximately 11,600 pounds of CPO and 23,200 pounds of CVO, will likely be finished in the 1<sup>st</sup> quarter of 2008. The CPO will be fished on the *F/V Baranof*.

NSEDC's IFQ allocation of brown crab totals about 557,700 pounds in 2007/08. The crab was harvested by the *Aleutian No. 1* in the 4<sup>th</sup> quarter.

### **CDQ Crab Processing and Sales**

NSEDC has entered into a crab processing agreement with Royal Aleutian Seafoods (RAS). CDQ crab is considered to have more value in the new management structure of crab fishing because it is not obligated to be delivered to any particular processor (one of the requirements of most non-CDQ crab under crab rationalization) so the buyers are more included to compete for purchasing. Entering into a joint-venture processing agreement is one way to extract additional value from the crab, as we share in the profits (50/50) from the processing. For 2007/08 we've entered into agreements for CDQ Bristol Bay Red King Crab and Aleutian Islands Brown King Crab. We are in discussions with RAS currently for extending the contract for 2008, and it is likely that they will process the majority of the opilio crab we deliver from the *Aleutian No. 1*.

## **IV. Confidential Issues**

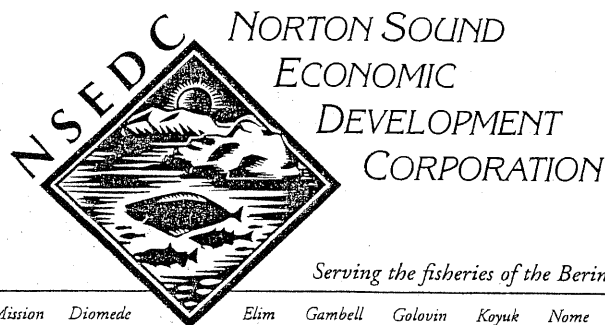
### **A. Financial Statements**

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

### **B. Board of Director 4<sup>th</sup> Quarter Meeting Minutes (Attachment 9)**

ATTACHMENT 10

NSEDC FORTH QUARTER  
BOARD MEETING MINUTES



FILE COPY

*Serving the fisheries of the Bering Strait Region*

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

**Norton Sound Economic Development Corporation  
Third Quarter Board of Directors Meeting  
October 31 & November 1, 2007  
BSNC Boardroom  
10:00 A.M.**

**CALL TO ORDER**

NSED C Board Chairman Dan Harrelson called the NSED C 2007 Third Quarter Board of Directors to order at 10:00 A.M. on October 31, 2007.

**ROLL CALL**

The roll call was taken with Charles Saccheus Sr., Joe Garnie, Victor Joe, Harvey Sookiayak, Dean Peterson, Mary Menadelook, Walter Seetot, Truman Kava, Frank Oxereok, Paul Johnson, Elvina Naranjo, Wilfred Katcheak, Dan Harrelson, and Don Stiles present. Ramona Tungiyen was absent. Staff, who were present, were Eugene Asicksik, Janis Ivanoff, Kathy Wheelehan, Katie Peterson, Simon Kinneen, Tasha Huffman, Virginia Nashalook, Fred Eningowuk, Wes Jones, Charlie Lean, Josh Osborne, Rich Ferry, and Jerry Ivanoff. Public present were Rob Wood, Tim Smith, Frank Katchatag, Randy Maes, Laurie McNicholas, Steve Rieger, Rip Carlton, and Darrin Otten.

**APPROVAL OF AGENDA**

*Don Stiles made a motion to approve the agenda. Elvina Naranjo seconded the motion. The motion passed.*

Chairman Harrelson took a moment of silence in recognition of Gilbert Ungott, our Gambell Board Member who is still missing.

**APPROVAL OF MINUTES**

**1. July 26 & 27, 2007**

*Harvey Sookiayak made a motion to approve the NSED C July 26 & 27, 2007 Board Meeting Minutes and the September 4, 2007 Special Board Meeting Minutes, as a block. Dean Peterson seconded the motion. The motion passed.*

**CEO's REPORT- Eugene Asicksik**

Eugene Asicksik gave the NSED C CEO's Report.

Ramona Tungiyen joined the meeting at 10:08 A.M.

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

Don Stiles noted that Eugene talked of administrative issues with the need to fill the vacant position asking about candidates for the seafood marketing position. Eugene stated that we are still receiving applications. Don Stiles noted that the full board established an endowment for education believing that the endowment is an investment in our future for our children. With the loss of Chris Cook, Eugene explained his understanding of a true endowment with his experience of the Norton Sound Fund, as an endowment. Paul Johnson recommended that we amend the agenda to address the endowment under "other business". Don Stiles reiterated his point on the endowment as a gift for the future generations directing staff to set this up.

Chairman Harrelson introduced Tasha Huffman giving her an opportunity to address the full board with her background. Chairman Harrelson introduced Ramona Tungian of Gambell, sitting in for Gilbert Ungott.

## **PUBLIC COMMENTS**

The public was given an opportunity to provide comments.

Tim Smith informed the board that the adult salmon that returned had his marks on them, specifically their otoliths were recognizable. After seventeen years of salmon enhancement, Tim noted that this is the first year that we could see their return at Hastings Creek. Tim further noted that ADF&G may be able to increase the level of release of fertilized eggs into our streams. Eugene asked for clarification on the transplanting of these fish. Tim noted that they could not have had this success without the board's support.

Darrin Otten asked if the education endowment could be placed under the education, employment, and training department. Chairman Harrelson explained the intent of the NSEDC Education Endowment looking to provide funds on a perpetual basis with the fund growing from interest. Don Stiles stated that these funds are not protected. Paul would like to address this later in the agenda.

## **FINANCIALS/INVESTMENT PORTFOLIO**

Tasha Huffman gave the NSEDC Financial Report. Tasha noted the biggest difference on our books being the dissolution of Norton Sound Ventures. Tasha noted that the revenues of NSSP were not included in the report, which will improve NSSP's Financial Outlook. Paul Johnson commented on the balance sheet noting that we have roughly seventy eight million sitting in the bank with ten million set up for education and training. Paul noted the amounts allocated in our various programs.

Tasha introduced Randy Maes of Charles Schwab for his report. Thomas Waites was connected via teleconference. Go to "Charles Schwab" on the agenda.

## **UBS Investment Report**

Buck Adams and Kevin Sanchez gave the UBS Investment Report. Paul Johnson asked Kevin to explain a "benchmark".

We took a ten minute break at 11:09 A.M. The meeting reconvened at 11:24 A.M.

Go to "Managers Reports"

**Charles Schwab**

Randy noted that he is working with Brian Pinkston, who moved out of Alaska. Randy turned the floor over to Tom to go over the numbers of Charles Schwab. Don Stiles asked for an explanation between the large cap and the small cap investments. Don Stiles asked how the fees are calculated, where Thomas noted that they are calculated at a flat rate. Randy thanked the board for inviting them up here to learn the personal feel and touch of the finances of NSEDC. Tasha introduced Buck Adams and Kevin Sanchez of UBS for their investment report. Go to "UBS Investment Report" on the agenda.

**MANAGERS REPORTS**

Dan Harrelson moved on to the Managers Reports, starting with Josh Osborne for the Norton Sound Seafood Products Report, as his wife was soon to have a baby. Go to "NSSP-Josh Osborne" on the agenda.

**NSIC – Eugene Asicksik**

**a. Glacier Fish Company LLC**

Eugene turned the floor over to Rob Wood for the Glacier Fish Company, LLC Report. Rob noted the amount paid to our seafood processors, which overshadowed the employment numbers of last year. Rob covered the upcoming increase in the royalty rates of our Pollock. Paul Johnson asked for clarification on the royalty rate increase, which is market driven and value of the dollar per Rob Wood. Dan Harrelson asked about the Pollock TAC (total allowable catch) and its effects on our bottom line over the next five years. Rob noted the Russian Production of Pollock, which might affect the price. Rob noted that oil is \$95.00 per barrel and it will have some effect on our operating costs. Rob stated that our trawlers finished fishing on Monday helping American Seafoods catch some of their quota. Dan Harrelson asked about the cost of fuel for our vessels stating that they should have brought some up. Paul Johnson asked about the impact of the value of the dollar and its impact on our profitability. Rob noted that the dollar value is very weak in comparison to the value of the Japanese Yen, where we sell our product. Eugene Asicksik asked about one fishing company being sold and how many vessels was involved here. Rob stated that it is just one vessel and the quota may be spread out throughout the industry.

**b. Norton Sound Ventures LLC**

For Norton Sound Ventures LLC, Eugene introduced Rip Carlton for a report on the Aleutian Number One. Rip commended the whole Anchorage Staff for their hard work getting our crab harvest done. Brown crab fishing has been great with the largest load brought in of 186,000 pounds. Don Stiles stated that he got a chance to tour the Aleutian Number One and how the crab pots are set. Don asked about the weight of the crab pots which is about 650 pounds apiece fishing at a depth of 600 fathoms. Rip explained the process to set the pots. Rip went on to cover the F/V Aleutian #1 Overhaul. Rip noted that NSEDC has 1.6 million pounds of ophilio crab quota, which will be fished in January. With board approval, Rip was hoping to get some Norton Sound Processors employed on the Aleutian #1 using some experienced processors. Rip noted that he



might be interested in purchasing some herring, halibut heads, and salmon for bait in their crab operations. Dan asked about the transport cost of this bait, where Don Stiles recommended the utilization of our tender vessels. Dan Harrelson asked about the harvest of 1.6 million pounds of ophilio and our ability to harvest it in its entirety. Dan mentioned the red king crab operation now and the possibility to work on a deal in the future. Rip noted that we have a vessel that could fish brown crab and red king crab. Don Stiles asked for clarification on the hiring of one of our seafood processors and the rate of pay. Rip Carlton noted the difficulty of being a bait man and the percentage he is paid at 2% with the hardest job on the boat. A discussion was held on our processors and their duties on the boat. Dan asked about the average wage paid to one of our processors. Janis Ivanoff noted that our processor, at 3.75 % of crew share, amounted to about \$3025.00. Rip stated that a full share deckhand on the Aleutian #1 could make about \$75,000.00 annually.

We took lunch break at 12:19 P.M. until 1:30 P.M. The meeting reconvened at 1:30 P.M.

*Don Stiles made a motion to go into executive session at 1:31 P.M. to discuss the Aleutian #1. Harvey Sookiayak seconded the motion. The motion passed.*

*Don Stiles made a motion to get out of executive session at 2:15 P.M. Walter Seetot seconded the motion. The motion passed.*

We took a break at 2:16 P.M. The meeting reconvened at 2:25 P.M.

*Don Stiles made a motion to continue under the current management scheme with Rip Carlton as the manager of F/V Aleutian #1 and have staff develop a business plan for the following years showing the benefits and options of ownership of the F/V Aleutian #1. Dean Peterson seconded the motion. Don felt that the benefits outweighs going into a management agreement with someone new giving greater opportunities for our local fishermen to harvest the surplus of salmon or herring in our operation of the F/V Aleutian #1. Question was called. The motion passed unanimously.*

Eugene mentioned the work to close up the Norton Sound Ventures Deal. Chairman Harrelson turned the floor over to Steve Rieger for an update. Steve covered the royalty rates of F/V Aleutian #1 with quota shares available in the industry. Steve went over the plan to rap up the sale of our assets of Norton Sound Ventures. The quota of the F/V Pacific Star has been sold with our share being in excess of \$200,000.00. Steve stated that he has until December 2, 2007 to rap up these negotiations with the sale of a permit that has not been fished for a few years. Steve mentioned that we own the groundfish permit.

#### **CDQ Harvest Management – Jon Zuck**

Simon Kinneen gave the CDQ Harvest Management Report, which Jon provided in the packet. Simon gave an update of the completion of fishing for Pollock for the year. Red king crab fishing has started up with strong prices for @400,000 pounds. Atka Mackerel and yellow fin sole will be harvested soon. Dan Harrelson gave an update on the resignation of Jon Zuck and his willingness to help NSEDC with the negotiations for our

fish harvest management with the move for Simon Kinneen to work and train in this capacity. Paul Johnson reminded the board that, under CDQ Harvest Management, we need to know or be assured that we are meeting the obligations in the harvest of our resource and we are getting the best dollar value of our individual species. If one of our species is not being harvested, just say so and, if we are doing a good job, just say so. Eugene noted that Jon, and now Simon, will be monitoring the harvesting of our eighteen species of fish with the need to quit fishing, if we have harvested a prohibited species. Eugene mentioned the interest in the harvest of halibut in Norton Sound and our salmon. Eugene noted the need to keep tabs on our quota harvest, prohibited species harvest, and bycatch. Dan Harrelson noted that Charlie Lean and Wes Jones are on board to continue with the fisheries research and development program. Simon noted that he has been in an administrative role in the fisheries research and development program with the needs to work in the clean water.

We went on to the written reports, which Dan Harrelson noted in the packet asking if there were questions.

## **NSSP – Josh Osborne**

Josh Osborne was given the floor for the NSSP Report. Josh will provide numbers at a later date for the seafood products we harvested. Eugene asked about the crab inventory, with all the crab being sold. Josh covered the crab harvested and sold. Dan Harrelson pointed out the NSSP Operations in salmon with 572,000 pounds of salmon bought from our fishermen paying the average take for our fishermen of \$8095.00. This provided an economic impact on our fishing communities. Don Stiles asked for the total value of our salmon purchased and how much is in inventory. Josh provided our salmon inventory in Nome and Anchorage. Paul Johnson suggested that salmon and crab/halibut productions breaking apart the harvest and the recovery with the need for Josh to provide more information for comparative purposes. Don Stiles asked how many people worked in the Unalakleet Fish Plant. Josh stated that there was about seventy processors. Don noted the economic impact of these jobs. Dan Harrelson noted the Unalakleet Fish Plant Operation and its positive impacts on the residents of our region. Don Stiles asked about the price of reds in Teller paid to the fishermen. Josh stated that they were paid \$.75 per pound. Rip Carlton asked about the salmon bait salmon. Rip stated that they might be able to utilize this inventory. Dan noted that our crab operations use about 60,000 pounds of bait per trip. Dan Harrelson, as far as facilities and operation needs, asked if all our equipment were up and running. Josh stated that the ice machine in Shaktoolik was not installed yet. Josh is planning a NSSP Staff Meeting to plan for next year and summarize this season. Dan Harrelson further asked about the cost of electricity and heating costs throughout the winter. Dan asked about the winter crab operations. In relation to our operating costs, Don Stiles noted the increase of our tender vessel operation. Josh noted that we had some repairs on our vessels. Rich Ferry explained the higher operating cost of our tender vessels. We went back to "NSIC-Eugene Asicksik" on the agenda.

### **1. Written Reports**

#### **a. EET Department – Jerry Ivanoff**

Don Stiles asked for an update on the fisheries safety orientation class of October 14-23, 2007. Dan Harrelson asked if the number of successful trainees was normal for this training program. Jerry informed him that this was so.

b. Community Benefits Department – Janis Ivanoff

Don Stiles asked for clarification on the remaining funds of the community benefits program or should they be rolled over next year. Janis provided an update on the policies for the grants and the entities with funds left over, which must be extended into the next year, must put in a written request. Janis noted that we have two requests now for an extension into 2008 for the 2007 grants. Dan Harrelson, in regards to the carry over request, asking if we had a policy in place for how long they can be carried over and how to make the decision for the carry-over funds. Janis expounded on the policy for the carry-over funds. In the bulk fuel program, Don noted that we did not wish to expand this bulk fuel program to include the other CDQ Groups. Janis further expounded on the need to work with local suppliers of bulk fuel with this particular program. Don Stiles asked if we could expand this program with the sale of propane. For insurance purposes, Dan informed Don that this was too dangerous a commodity to move around. Janis explained the desire not to sell propane with the problem of transporting. Don Stiles asked if Janis researched the possible purchase of a large propane bulk fuel tank to assist our member communities with the sale of propane to our member communities. In regards to the alternative energy project, Don asked for clarification. Janis noted the spreadsheet she handed out on the impact of our bulk fuel program. Dan noted the drop in gas prices in Shishmaref from over \$4.00 per gallon to just over \$2.00 per gallon. Janis recommended to the full board that we continue with this program wide open with the payments being made on a timely basis asking for the board's blessings to furnish fuel to our membership.

*Don Stiles made a motion to support the policy in the bulk fuel program to not include any entities that did not make their payment on their past purchases. Dean Peterson seconded the motion. Question was called. The motion passed unanimously.*

Don Stiles commended the wind energy program wishing to find something to reduce the heating cost of our communities to heat their homes. We should continue in this direction noting that the \$92,000.00 in this project will be monies well spent. Janis noted that they are working with the King Island Native Association and the City of Unalakleet for this wind energy project. Paul Johnson noted that we need to spend money to heat our homes with the impact to individuals within our member communities, which will benefit everyone in the region. Don Stiles asked if we need to increase our staff to continue this program. Janis stated that it would be nice to have one more person on staff to work with the bulk fuel program. Don noted the wind energy project in Shaktoolik. Harvey informed the board that they were able to decrease the expense per kilowatt hour for their residents. Janis expounded on the wind energy program with the wind turbines available today to help decrease the heating costs of our homes, which is the goal of the project.

Paul Johnson thanked Jerry for his work in the education, employment, and training program of NSEDC giving a historical program overview noting the successes over the

years. Paul stated that we get the reports, but we don't have the ability to weigh the benefits of this program, as it is normally non-controversial and the job gets done. Paul noted the tremendous positive impacts of the scholarships and the crew share wages of our seafood processors.

c. NSFR&D – Simon Kinneen

Don Stiles voiced his appreciation of the effort and the results of the crew working in Unalakleet with the clean water project. Don stated his appreciation to see this cleanup work with the need to provide clean up in all of our communities. Dan Harrelson noted the impact of the clean up work done in White Mountain providing jobs to nineteen jobless people there. Dan commended Wes Jones for his good work and keep it up! Wes Jones noted that he plans to expand to at least four or five communities next year. Wes covered the employment of the clean up crews in Shaktoolik and White Mountain, also noting the clean up crew in Unalakleet. Don stated that he saw the crew in Unalakleet cataloging and storing the picked up nets in zip lock bags. Wes stated that this was a requirement to send net samples of all discarded nets to the Marine Conservation Alliance. Simon mentioned the increased funding available with the federal government to continue to fund this project.

We recessed for the day at 3:22 P.M. until 10:00 A.M. tomorrow morning.

**November 1, 2007**

Chairman Harrelson reconvened the 2007 Third Quarter Board of Directors Meeting at 10:00 A.M. For the record, all the board members were present.

**B. COMMITTEE REPORTS**

**1. NSSP Working Group**

Chairman Don Stiles gave the NSSP Working Group Report. Dan Harrelson noted that "cite" control should be spelled "site" control on page five. Paul Johnson asked if there were any recommendations for changes. Dan Harrelson spoke to the Nome Boat Trailer, with the possible need to add an additional trailer for Nome. Don Stiles stated that the Norton Sound Harvesters Association will submit a proposal for a new trailer by the deadline.

**2. Executive Committee Report**

Chairman Dan Harrelson gave the NSEDC Executive Committee Report. Don Stiles noted that the names Frank Johnson and Bruce Harding will replace Frank Doty and Bruce Johnson in the minutes. Eugene brought up the NSV without a vessel manager for NSV. Eugene noted that the brown crab was not harvested by the F/V Pacific Star, but the brown crab quota was harvested by the boat. Eugene asked about the City of Nome's proposal and a possible revision to the lease agreement. This change was recommended by Dean Peterson, who made the motion in the minutes, and agreed upon by Harvey Sookiayak, who seconded the motion.

*Don Stiles made a motion to approve the NSEDC Executive Committee Report with all its recommendations. Dean Peterson seconded the motion. Question was called. The motion passed unanimously.*

### 3. Fisheries Development Committee Report

Chairman Charles Saccheus Sr. gave the NSEDC Fisheries Development Committee Report. Don Stiles noticed the motion to purchase herring harvested by local fishermen for bait. Dan Harrelson wanted to talk about the amount of herring to purchase for bait, possibly 100 ton. With the salmon fishery, Dan noticed that we had some bait quality salmon. He wanted to make sure we don't flood our bait needs. Dan noticed that we harvested 128,500 pounds of halibut, and wondered if we could utilize the halibut leftovers for bait, as they pay \$.55 per pound for halibut head bait. Paul Johnson felt that we should have the NSSP Manager come up with an operational plan for 2008 prior to take any action and budget accordingly. Dean Peterson spoke to the bait issue with funding the fishery program in northern Norton Sound for some time noting that we spend a lot of money on this bait purchases. Dan Harrelson noted that we purchased 33 ton of herring last year, but we were shut down, then purchased Atlantic Herring for bait from the east coast. Don Stiles stated that the Unalakleet Plant Manager could provide a timing of the herring bait harvest and its possible interference with the salmon operation. Paul Johnson felt that it should be the NSSP Manager. On the crane, Don Stiles asked if the crane was installed, thereby becoming the property of Unalakleet. Don Stiles felt that the ice machine was put on this property, but it belongs to us. Rich Ferry spoke to the need to provide a substantial foundation for the crane and the property ownership issues. Don asked about the crane for the NSSC in Nome. He recommended that we follow the same plan to install the crane as we did in Nome. Dan Harrelson asked Rich Ferry about the 5000 pound crane and the problems with the old crane, and a larger crane makes good sense, if the crane is owned by NSEDC. He asked how we would handle usage of the crane by other entities. Rich Ferry stated that we have limited the use of the crane by only NSSP Personnel. Paul Johnson stated that we forget who we are and we need to benefit our member communities. Paul felt this issue could be worked out with a positive attitude and make it work. Dan Harrelson worried about the liability about the access to the crane with the suit in the past with someone slipping on our dock. Paul felt that the players in this issues could work together to make this work. Eugene noted that the Unalakleet Plant Manager suggested that a 5000 pound crane be put in there.

We took a break at 11:11 A.M. The meeting reconvened at 11:23 A.M.

### 4. Rules, Regulations & Bylaws Committee Report

Chairman Don Stiles gave the NSEDC Rules, Regulations, and Bylaws Committee Report. Don Stiles noted that there were not any recommendations to the full board. Dan Harrelson noted that "Dan" should be changed to "Don", as he was not present at this meeting. Dan Harrelson asked if there was any board action needed for the Gambell Board Representative. Paul Johnson stated that the board, in the past, replaced the board member with all voting rights. Don Stiles noted that Dan Harrelson was present at this meeting, but Dan stated that he entered at the point of adjournment.

### 5. Scholarship Committee Report

Chairman Walter Seetot gave the NSEDC Scholarship Committee Report.

## 6. Finance Committee

Chairman Dan Harrelson gave the NSEDC Finance Committee Report.

Don Stiles stated that he believed that it was not Don Mitchell, but Dick Monroe. Paul Johnson clarified that it should be worded different suggesting that each program has one page report with budget to actuals. Don Stiles asked management on the tender vessel increase asking if the design of the new tender was charged to this account. Eugene stated that it wasn't. Don Stiles asked if the recommendation to go with Dick Monroe should be explained as it was discussed in executive session. Dan noted that staff brought up that this issue will be discussed later in executive session with the GFC Valuation Assessment.

We recessed for lunch at 11:53 A.M. until 1:30 P.M. The meeting reconvened at 1:32 P.M.

## OLD BUSINESS

### 1. GFC Valuation Assessment – Erik Breivik & John Bundy

*Harvey Sookiayak made a motion to go into executive session at 1:33 P.M. to cover the GFC Valuation Assessment. Elvina Naranjo seconded the motion. The motion passed.*

*Don Stiles made a motion to get out of executive session at 2:52 P.M. Dean Peterson seconded the motion. The motion passed.*

We took a break at 2:53 P.M. The meeting reconvened at 3:06 P.M.

### 2. Pacific Star Quota

This was already covered in the finance committee report, where it was noted that an offer was made and rejected.

## NEW BUSINESS

### 1. 2007 Community Benefit Share

Eugene stated that Tasha was crunching the numbers and checking what was available. Eugene gave a brief overview of the necessary paperwork to access the community benefit share. Tasha Huffman gave an overview of how the community benefit share is calculated. With 33% allocated to the community benefit share, Tasha stated that we have @\$4,000,000.00 available for the community benefit share.

*Don Stiles made a motion to make the community benefit share \$100,000.00 for 2007. Harvey Sookiayak seconded the motion. A discussion was held on the community benefit share. The question was called. The motion passed unanimously.*

### 2. Board Meeting Evaluation

Chairman Harrelson directed the board to complete the NSEDC Board Meeting Evaluation tonight, and make it available to staff tomorrow morning. Paul Johnson suggested to take five minutes to complete them now. The NSEDC Board of Directors completed their board meeting evaluations and turned them into Kathy Wheelehan.

### 3. CEO Evaluation

Chairman Harrelson informed the board that, in the past, they were filled out and provided to Margaret Russell, then provided to Janis Ivanoff. Dan asked if the evaluation was compiled and provided in the next meeting. Janis gave a historical overview of the evaluation. Dan suggested to complete this evaluation, give them to staff, then handle this at the meeting in Seattle later this month.

### OTHER BUSINESS

#### NSEDC Education Endowment

*Paul Johnson made a motion to change the board's original motion to manage the endowment, to authorize to set up a foundation to protect the education endowment. Don Stiles seconded the motion. Don Stiles stated that we need to put the money in the foundation, but the principal of this endowment will provide scholarships and training in the future. Paul Johnson stated that the board did not provide any protection for the endowment, so the board will not spend the money or use it to take care of a lawsuit. For perpetuity, Paul felt that this foundation would be a good way to handle the endowment and protect it. Dan Harrelson noted that the NSEDC Education Endowment is now \$10,600,000.00 currently. Dan asked if we are going to continue to inject funds into this endowment and wondered at what point would we quit putting money into this endowment. Don Stiles stated that an endowment would be used for a specific purpose and nothing else. Don noted that we have the Bering Straits Foundation in this building. Dan did not know how Bering Straits Foundation was set up. Dan wanted to make sure the guidelines for scholarships are still followed. Don noted that we continue to fund the education, employment, and training department on an annual basis to allow the foundation to continue accruing interest. Don Stiles stated that the NSEDC Board of Directors could decide when to quit funding the endowment based on communication. Dan directed staff to follow through to create a foundation. Dan stated that this is an investment in our future. Eugene asked about the current amount in the education endowment. Eugene noted that NSEDC has not put any funds in this endowment for the past five years. Eugene informed the board of the original intent of the education endowment, as the CDQ Program was to have a sunset of two years. We had a lengthy discussion on this endowment and the plans for the future. Paul gave his perspective on the endowment that the foundation that we formed could be watched over by staff, and it would fund the eet department annually with Jerry's Involvement. Until this happens, we will provide a budget annually to fund the education, employment, and training. These benefits of the foundation would be made available to our residents regardless of race. The motion passed unanimously.*

Don Stiles felt that we should look into the tenders. If we continue to put it off, he speculated that we would not have it in place by 2009. Don wondered why staff did not provide an update on this issue. Don felt that we could have something on line by this summer. Harvey asked if this could be sent back to the NSSP Working Group to come up with a recommendation. Paul would like management to come up with a recommendation. Dan asked Don if the NSSP Working Group would come up with a feasible recommendation for the board to look over. Don felt that this would not be possible. Upon notice by staff, Chairman Harrelson noted that the board directed staff to

come up with a recommendation from staff to the board. Don stated that, if we take it up in January, it would be another month to find a vessel. Dan Harrelson directed staff to find something to bring to the NSEDC Board in January. Paul reiterated the intent of his motion on the tender vessel to direct staff to come up with a recommendation for this meeting. Don felt that Eugene should not have to go to the NSSP Working Group, as it will take time. Eugene informed Dan that our budget is \$1,700,000.00 for this tender vessel program. Noting a point of order, Paul stated that his intent with his motion was to have management to involve some people to come up with a recommendation for a new tender vessel. Eugene informed Don that we may have to research NSIC Minutes. Don Stiles asked about the NSEDC Corporate Treasurer with Chris Cook's Termination and only the board could appoint the new treasurer for future reference. Joe Garnie strongly suggested that we go to someone that knows something about boats and look for professional help. Eugene informed him that management did this, but the proposals was rejected by the board. .

## ADJOURNMENT

*Paul Johnson made a motion to adjourn. Harvey Sookiayak seconded the motion. The NSEDC 2007 Third Quarter Board of Directors Meeting was adjourned at 3:52 P.M.*

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Dan Harrelson, NSEDC Board Chairman

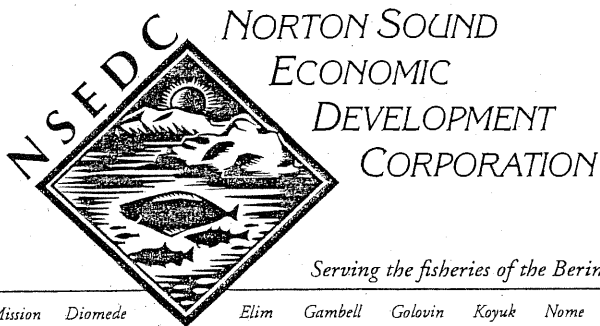
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Date

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Jerry Ivanoff, NSEDC Corporate Secretary





FILE COPY

*Serving the fisheries of the Bering Strait Region*

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

**Norton Sound Economic Development Corporation  
Annual Meeting of Member  
BSNC Boardroom  
Nome, Alaska 99762  
November 2, 2007  
10:00 a.m.**

**CALL TO ORDER**

NSED Board of Directors Chairman Dan Harrelson called the 2007 NSED Annual Meeting of Members to order at 10:04 A.M.

**ROLL CALL**

The roll call was taken. Brevig Mission, Elim, Golovin, Little Diomede, Nome, Savoonga, Shaktoolik, St. Michael, Stebbins, Teller, Unalakleet, Koyuk, Wales, and White Mountain. Gambell was absent. Staff, who were present, were Eugene Asicksik, Janis Ivanoff, Simon Kinneen, Katie Peterson, Fred Eningowuk, Virginia Nashalook, Rich Ferry, Kathy Whelehan, and Jerry Ivanoff. Others present were Laurie McNicholas and Tim Smith.

**APPROVAL OF AGENDA**

*Nome made a motion to approve the agenda. Stebbins seconded the motion. The motion passed.*

**APPROVAL OF MINUTES OF LAST MEETING OF MEMBERS**

*Shaktoolik made a motion to approve the 2006 Annual Meeting of Members Meeting Minutes of October 20, 2006. Golovin seconded the motion. The motion passed.*

**PUBLIC COMMENTS**

Tim Smith voiced his disappointment that there were not more members of the public present, not realizing how important this organization is.

Paul Ivanoff III walked in at 10:08 A.M.

**CORPORATE ANNUAL REPORT**

NSED Chief Executive Officer Eugene Asicksik informed the board that the NSED Corporate Annual Report was mailed out, which was done in house. Eugene noted that with changes to the U.S. Coast Guard Bill, there will be changes to the corporate annual report next year. Dan Harrelson noted the content in the annual report required by law.

**2006 ANNUAL AUDIT**

NSED Chief Executive Officer Eugene Asicksik noted that the 2006 NSED Annual Audit was completed and provided to the board. Joe Garnie, who belongs

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

to BSNC, commented that the annual audit should be understandable, as he cannot understand the BSNC Annual Audit. Eugene stated that we will try to make it simple.

## REVISED ARTICLES/RULES & BYLAWS

NSEDC CEO Eugene Asicksik brought up the NSEDC Revised Articles/Rules & Bylaws with all its changes. Nome asked about the changes to the employee handbook, wondering why this was included in the membership meeting. Shaktoolik asked for clarification on the changes to the bylaws and rules of NSEDC.

## MEMBERSHIP COMMENTS

Golovin thanked NSEDC for helping our communities with a dock and loader to assist the crabbers, which is making a big impact on his community.

Savoonga was happy to back on the board again. Savoonga thanked NSEDC for the community benefit share and help with the fuel.

St. Michael was happy about the bulk fuel program.

Stebbins was concerned about not seeing the harvesting partners' financials at the table.

Nome recognized Walter Seetot for all his years of service, He welcomed Frank Katchatag and Reggie Barr to the board. He will miss Paul Johnson's Insight to the NSEDC Financials.

Elim welcome the new Brevig Mission and Unalakleet Representative saying goodbye and quyanna to Walter Seetot. Elim was happy for NSSP to buy salmon there. Thanks for the community benefit share and the cleanup work in Elim. Elim was happy for the bulk fuel program living a lot better with NSEDC.

Wales thanked NSEDC for the community benefit share. Wales welcomed the new board members and thanked Walter Seetot for his years of service.

Brevig Misson, Walter Seetot, wished for the NSEDC Education, Employment, and Training Department to continue help our young people in the northern region with more outreach.

Teller thanked NSEDC for bulk fuel program and the community benefit share realizing that we have a lot to be thankful for with the programs of NSEDC. He thanked the staff for helping and forgiving to help Teller.

Little Diomedede thanked NSEDC for the community benefit share, which is a lot of help.

Koyuk thanked NSEDC Staff and Board for the community benefit share, the bulk fuel program, and their brand new loader, and NSEDC Donations to Koyuk. Koyuk would also like to have NSEDC provide board training to read and understand their audits and annual reports. Koyuk already misses Gilbert.

Unalakleet thanked the board for welcoming him to the table.

Shaktoolik thanked NSEDC for their contributions to the community with the bulk fuel program and our crab operation. He thanked Virginia Nashalook. He hoped for another good year.

Brevig Mission, Reggie Barr, thanked Walter for serving all these years. He further thanked NSEDC for the community benefit share.

White Mountain thanked everyone for their support of Dan Harrelson, Eugene Asicksik, and Staff. We have a long way to go with criticism to correct our errors and do everything twice as right. Things are getting better despite our growing pains. By pulling and working together, we will continue to have successes.

Wales and St. Michael noted that Clement Ungott thanked the board for all their support during their loss of Gilbert.

Eugene Asicksik noted that the organization has come a long way. He stated that we have come a long way incorporating our subsistence fishermen. For years, the State of Alaska provided oversight, but we now have the ability to help our non-commercial fishing communities. We can control our destiny to help the needs of the villages. He thanked the board for their support. On the board level, he was surprised that Walter Seetot was not running with very few original board members sitting on the board with more interest in our communities to sit on the board. He welcomed the new board members. He thanked the staff noting that they are getting younger each year coming through the programs that NSEDC put together with scholarships and interns employment.

#### APPOINTMENT OF DIRECTORS

Eugene explained the appointment process.

Eugene called on Unalakleet. Unalakleet appointed Frank Katchatag.

Eugene called on Shaktoolik. Shaktoolik appointed Harvey Sookiayak.

Eugene called on White Mountain. White Mountain appointed Dan Harrelson.

Eugene called on Brevig Mission. Brevig Mission appointed Reggie Barr.

Eugene called on Little Diomed. Little Diomed appointed Mary Menadelook.

Eugene called on Savoonga. Savoonga appointed Truman Kava.

#### ADJOURNMENT

Golovin made a motion to adjourn. Shaktoolik seconded the motion. The 2007 NSEDC Annual Membership Meeting was adjourned at 10:35 A.M.

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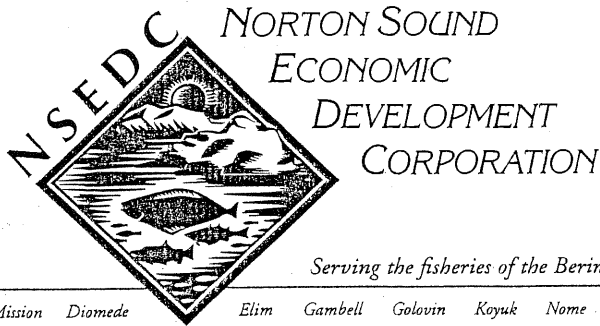
Dan Harrelson, NSEDC Corporate President

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Jerry Ivanoff, NSEDC Corporate Secretary

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Date



*Serving the fisheries of the Bering Strait Region*

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

**Norton Sound Economic Development Corporation  
ANNUAL MEETING OF DIRECTORS  
BSNC Boardroom  
NOME, ALASKA 99762  
November 2, 2007  
10:45 a.m.**

**CALL TO ORDER**

NSEDCE Corporate President Dan Harrelson called the 2007 NSEDCE Annual Meeting of Directors to order at 10:49 A.M.

**ROLL CALL**

The roll call was taken. Present at the meeting were Daniel Harrelson, Don Stiles, Dean Peterson, Harvey Sookiayak, Joe Garnie, Mary Menadelook, Reggie Barr, Truman Kava, Frank Oxereok, Frank Katchatag, Elvina Naranjo, Wilfred Katcheak, Victor Joe, and Charles Saccheus Sr. Ramona Tungiyen was absent. Staff, who were present, were Eugene Asicksik, Janis Ivanoff, Tasha Huffman, Simon Kinneen, Fred Eningowuk, Paul Ivanoff III, Rich Ferry, Kathy Wheelehan, and Jerry Ivanoff. Public present were Tim Smith, Laurie McNicholas, and Paul Korchin.

**APPROVAL OF AGENDA**

*Elvina Naranjo made a motion to approve the agenda. Dean Peterson seconded the motion. Question was called. The motion passed unanimously.*

**APPROVAL OF MINUTES**

Don Stiles corrected the minutes noting under elections of corporate officers that he nominated Dan Harrelson for corporate president and moved for unanimous consent. Paul Johnson seconded the motion. Don Stiles also nominated Janis Ivanoff for corporate vice president and asked for unanimous consent.

*Frank Oxereok made a motion to approve the NSEDCE Annual Meeting of Directors of October 20, 2006. Harvey Sookiayak seconded the motion. The motion passed.*

**PUBLIC COMMENTS**

None provided.

**OATH OF OFFICE**

NSEDCE CEO Eugene Asicksik gave the oath of office to the newly elected board members, Mary Menadelook of Little Diomede, Frank Katchatag of Unalakleet, Harvey Sookiayak of Shaktoolik, Reggie Barr of Brevig Mission, and Truman Kava of Savoonga.

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

## ELECTION OF EXECUTIVE COMMITTEE

Chairman Harrelson opened the floor for NSEDC Board Chairman.

*Don Stiles nominated Dan Harrelson and asked for unanimous consent. Harvey Sookiayak objected, nominating Dean Peterson, who declined. Charlie Saccheus Sr. made a motion that nomination cease. Dan Harrelson seconded. The motion passed unanimously.*

Dan Harrelson is the NSEDC Board of Directors Chairman.

Chairman Harrelson opened the floor for nominations for NSEDC Board Vice-Chairman.

*Harvey Sookiayak nominated Dean Peterson and moved for unanimous consent. Victor Joe seconded the motion.*

With no objections, Dean Peterson is the NSEDC Board Vice-Chairman.

Chairman Harrelson opened the floor for the NSEDC Board Sergeant of Arms.

Victor Joe nominated Harvey Sookiayak.

*Dean Peterson moved that nominations cease. Frank Oxereok seconded the motion. Question was called. The motion passed unanimously.*

Harvey Sookiayak is the NSEDC Board Sergeant at Arms.

Chairman Harrelson opened the floor for a seat on the NSEDC Executive Committee.

Wilfred Katcheak nominated Don Stiles.

*Dean Peterson made a motion for unanimous consent. Harvey Sookiayak seconded the motion. Question was called. The motion passed unanimously.*

Don Stiles is on the NSEDC Executive Committee.

Chairman Harrelson opened the floor for a seat on the NSEDC Executive Committee.

Harvey Sookiayak nominated Elvina Naranjo.  
Dean Peterson nominated Joe Garnie.

*Harvey Sookiayak made a motion to cease nominations. Victor Joe seconded the motion. Question was called. The motion passed unanimously.*

A secret ballot was taken reflecting ten votes for Joe Garnie and four votes for Elvina Naranjo.

Joe Garnie is on the NSEDC Executive Committee.

#### COMMITTEE APPOINTMENTS

For the committee appointments, Chairman Harrelson asked if the board members would like to continue to serve on their same committees or change.

Dean Peterson requested to stay on the finance and fisheries development committee. Don Stiles pointed out Dean's Conflict of Interest to sit on the fisheries development committee, as he has a temporary contract with the Norton Sound Seafood Products. Dan Harrelson asked if Dean could sit on the committee, if the conflict was so noted. In light of all the corruption in the media, Don felt it best that we not go there. Dean Peterson requested to get off the fisheries development committee.

Truman Kava requested to sit on the fisheries development committee and the scholarship committee.

Victor Joe requested to remain on the scholarship committee.

Wilfred Katcheak requested to stay on his existing committees and the NSSP Working Group.

Don Stiles requested to stay on the same committees.

Charles Saccheus Sr. was comfortable on the fisheries development committee and the rules & bylaws committee.

Frank Oxereok requested to sit on the scholarship and the finance committee.

Joe Garnie requested to stay on the same committees.

Mary Menadelook requested to stay on the same committees.

Elvina Naranjo requested to sit on the rules & bylaws committee, the fisheries development committee, and the scholarship committee.

Frank Katchatag requested to sit on the same committees as Paul Johnson did.

Harvey Sookiayak requested to stay on the finance and rules & bylaws committees.

Reggie Barr requested to sit on the fisheries development and the scholarship committees.

Dan Harrelson requested to be removed from the fisheries development committee and remain on other committee appointments.

#### ELECTION OF CORPORATE OFFICERS

Chairman Harrelson opened the floor for nomination for the NSEDC Corporate President. Don Stiles nominated Dan Harrelson. Harvey Sookiayak nominated Eugene Asicksik. Eugene noted his employment contract as NSEDC Chief Executive Officer and asked if he could serve also as the NSEDC Corporate President without endangering his contract, as he is looking out for himself and his family.

*Harvey Sookiayak made a motion to cease nominations. Elvina Naranjo seconded the motion. Question was called. The motion passed unanimously.*

A secret ballot vote was taken with eight votes for Dan Harrelson and six votes for Eugene Asicksik.

Dan Harrelson is the NSEDC Corporate President.

Chairman Harrelson opened the floor for nominations for NSEDC Corporate Vice-President.

Don Stiles nominated Janis Ivanoff.

*Harvey Sookiayak made a motion for unanimous consent. Don Stiles seconded the motion. Question was called. The motion passed unanimously.*

Janis Ivanoff is the NSEDC Corporate Vice-President.

Chairman Harrelson opened the floor for nominations for the NSEDC Corporate Secretary.

*Don Stiles nominated Jerry Ivanoff and asked for unanimous consent. Victor Joe seconded the motion. Question was called. The motion passed unanimously.*

Jerry Ivanoff is the NSEDC Corporate Secretary.

Chairman Harrelson opened the floor for nominations for NSEDC Corporate Treasurer.

Don Stiles nominated Tasha Huffman.

*Harvey Sookiayak made a motion for unanimous consent. Don Stiles seconded the motion. Question was called. The motion passed unanimously.*

Tasha Huffman is the NSEDC Corporate Treasurer.

#### SELECTION OF AT-LARGE MEMBERS

NSEDC CEO Eugene Asicksik noted that the NSEDC Finance Committee At-large Members are Henry Ivanoff and Jack Carpenter. Dan Harrelson noted that they

are the only ones who submitted their interest letters. Joe Garnie asked what would happen if he nominated someone who was not here. Dan Harrelson clarified that there was only two letters of interest.

*Harvey Sookiayak made a motion to seat Jack Carpenter and Henry Ivanoff on the NSEDC Finance Committee, as at-large members. Victor Joe seconded the motion. Question was called by Chairman Harrelson. The motion passed unanimously.*

Chairman Harrelson noted that there were two letters of interest to sit on the NSEDC Scholarship Committee, as at-large members, Janice Dickens and Paul Ivanoff III. Eugene Asicksik noted that Paul Ivanoff III was on staff, but had no conflict of interest.

*Wilfred Katcheak made a motion to seat Janice Dickens and Paul Ivanoff III on the NSEDC Scholarship Committee, as at-large members. Elvina Naranjo seconded the motion. Dan Harrelson called for the question. The motion passed unanimously.*

#### CONFLICT OF INTEREST

Each board member was given an opportunity to note their possible conflict of interest. Eugene Asicksik noted that they have to be read, sign, and dated. Don Stiles requested that each share their conflict.

Harvey Sookiayak has a son participating in crab fishery and salmon fishery. Don Stiles is a commercial crab and halibut fisherman. He will not vote on any items concerning these issues.

Dean Peterson noted he has a temporary contract with the Norton Sound Seafood Products.

Dan Harrelson noted his conflict with the NSEDC Corporate President Contract and Galsy Ashenfelter, his daughter, works temporarily. Don Stiles noted that he does not oversee her employment.

All other board members had no conflict of interest.

#### A. BOARD INFORMATION SHEET

The board information sheet was completed by the NSEDC Board of Directors. Dan Harrelson told the board members to call him anytime, even if collect.

#### B. BOARD INFORMATION

##### 1. NSEDC Organization Chart

Eugene went over the NSEDC Organizational Chart with Norton Sound Ventures dissolved.

##### 2. Rules & Regulations

Eugene Asicksik noted that rules, regulations, and bylaws has been mailed to newly elected board members.

##### 3. Bylaws

##### 4. Employee Handbook

#### C. NSEDC's REPRESENTATIVES TO RPT

Currently the members are Simon Kineen, Charlie Lean, and Wes Jones. Eugene Asicksik brought up the funding issue. Simon clarified that their recommendations does not carry any weight. They haven't met lately, but good to continue. No



funding necessary. Harvey Sookiayak asked if they are needed. Eugene Asicksik recommended to keep the NSEDC RPT Representatives the same, as they all deal with fisheries. Dean Peterson asked if one of these guys should run for the Alaska Board of Fish.

*Harvey Sookiayak made a motion to appoint Simon Kinneen, Charlie Lean, and Wes Jones as the NSEDC Representative to the RPT. Dean Peterson seconded the motion. Question was called. The motion passed unanimously.*

#### D. NSEDC's REPRESENTATIVES TO WACDA

Eugene Asicksik noted that he is the current representative to WACDA and Simon Kinneen is the alternate. Eugene noted that WACDA is an organization of all the six CDQ Groups. Dan Harrelson recommended to keep Eugene Asicksik and Simon Kinneen, as current representative to WACDA and alternate.

*Don Stiles made a motion to keep Eugene Asicksik and Simon Kinneen on their same roles. Harvey Sookiayak seconded the motion. Question was called. The motion passed unanimously.*

Dan Harrelson noted that the NSEDC Appeals Committee needs to meet regarding residency right after this meeting.

Don Stiles noted that Walter Seetot was chairman of Scholarship Committee and is no longer seated.

#### ADJOURNMENT

*Harvey Sookiayak made a motion to adjourn at 11:40 A.M. Frank Oxereok seconded the motion. The motion passed.*

---

Dan Harrelson, NSEDC Corporate President

---

Jerry Ivanoff, NSEDC Corporate Secretary

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Date



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  
Special Board of Directors Meeting  
Seattle Doubletree Guest Suites Paradise Room  
November 15, 2007  
1:00 P.M.**

**CALL TO ORDER**

Chairman Dan Harrelson called the NSEDC Special Board of Directors Meeting to order at 1:00 P.M.

**ROLL CALL**

The roll call was taken. Present at the meeting were Charles Saccheus Sr., Joe Garnie, Victor Joe, Ramona Tungian, Harvey Sookiayak, Dean Peterson, Mary Menadelook, Reggie Barr, Truman Kava, Frank Oxereok, Frank Katchatag, Elvina Naranjo, Wilfred Katcheak, Dan Harrelson, and Don Stiles. Staff, who were present, were Eugene Asicksik, Janis Ivanoff, Katie Peterson, Kathy Wheelehan, and Jerry Ivanoff.

**APPROVAL OF AGENDA**

Under new business, Dan Harrelson added pending lawsuits and Bering Straits Native Corporation Letter of Interest.

*Frank Oxereok made a motion to approve the agenda, as amended. Wilfred Katcheak seconded the motion. The motion passed.*

**APPROVAL OF MINUTES**

*Harvey Sookiayak made a motion to waive approval of minutes. Elvina Naranjo seconded the motion. The motion passed.*

**PUBLIC COMMENTS**

None provided.

**OLD BUSINESS**

**a. CEO's Evaluation**

*Elvina Naranjo made a motion to go into executive session at 1:08 P.M. for the NSEDC CEO's Evaluation and the NSEDC President's Contract. Wilfred Katcheak seconded the motion. The motion passed.*

*Harvey Sookiayak made a motion to get out of executive session at 3:05 P.M. Frank Oxereok seconded the motion. The motion passed.*

## NEW BUSINESS

### a. President's Contract

This was covered in executive session.

### b. Pending lawsuits

This was covered in executive session.

### c. Bering Straits Native Corporation Letter of Interest

This was covered in executive session.

## OTHER BUSINESS

### a. NSEDC Tending Options

Rip Carlton took the floor to go over the NSEDC Tending Options. Dan Harrelson asked Eugene how much was available for a new tender. Eugene informed him that we had \$1,750,000.00 for this project. Dan asked how much we spend for tender vessels per year. Eugene and Josh did not have the information yet, but we went over \$100,000.00 this last year. Dan asked about the operational costs of \$360,000.00 for the season, which is significantly higher than the current costs. Eugene stated that the tending option operating cost would definitely be higher than operating the F/V Norton Bay, the F/V Golovin Bay, and the F/V Besboro. Dan asked how much we pay for the tendering operations now. Eugene provided Dan with the cost to tender crab and salmon. Rip informed the board that, if the board wanted him to proceed, he would provide specified information on a vessel. Tasha informed the board that the tender vessel operation for 2007 was \$335,000.00. Eugene stated that we still need a RSW Barge as the boat travels at 11 knots. Dan asked how many people we have on board our tender vessels. Eugene told him that we have two crew members on each tender vessel. Dan noted the amount of crew members needed to operate the new tender vessel asking how much we pay our tender vessel captains. Dan wondered if we would have to pay more for a captain for the new tenders. Dan stated that we would have to increase the amount the fishermen pay for the tender operations, unless the board decides to pay for this operation. Dan stated that it would be nice to know, ball park, the amount of revenue we could expect with a new tender operation. Don Stiles asked for clarification on the use of our tender vessels and how much we pay the crew per day working for how many hours per day. Dan mentioned the crab fishermen in Golovin wondering if they would utilize this new tender operation. Dan asked Josh if the NSSC would be able to process the crab with a larger tender vessel. Josh stated that they would be able to process the crab. Joe Garnie asked about the safety issue of one of our tenders, wondering how many tender vessels we will have out there. Dan mentioned the need for a shallow draft vessel to get into Unalakleet for the salmon operation. Don Stiles brought up the high cost of building a home in our region like the Bering Straits Housing Authority. Don envisioned to help our

communities with the cost of freight for the building operations. Don mentioned the possibility to move gravel from St. Michael to Unalakleet. Harvey asked if Rip could find a vessel by January. Rip stated that he did not want to buy a bad vessel, which would not work for us. Reggie Barr stated that we should wait until we get more information. Don Stiles asked which vessel proposed would be ready by next summer. Rip stated that he is working to find a vessel that would work for this coming season. Tasha asked for clarification on the costs of the new tender vessels brought up by Rip. Rip stated that he did not want to get a new vessel that would not work. See handout "NSDEC Tending Options". Dan asked Jerry if we should start soliciting for a new skipper and engineer. Rip Carlton stated that he would like the captain and engineer onboard for the building on the boat right from the beginning. Jerry stated that our present captains are rated to operating vessels 100 tons or less. Rip informed the board that they would be okay to operate our new tender vessel. We had a discussion on the planning for the next meeting to address this issue.

## ADJOURNMENT

*Frank Oxereok made the motion to adjourn at 3:30 P.M. Wilfred Katcheak seconded the motion. The motion passed.*

---

Dan Harrelson, NSEDC Board Chairman

---

Jerry Ivanoff NSEDC Corporate Secretary

---

Date



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  
Marriot Skagway Room  
Anchorage, Alaska  
December 11, 2007  
9:30 A.M.

#### CALL TO ORDER

NSEDC Board Chairman Dan Harrelson called the NSEDC Special Budget Board of Directors Meeting to order at 9:30 A.M. on December 11, 2007.

#### ROLL CALL

The roll call was taken. Present at the meeting were Mary Menadelook, Ramona Tungiyen, Truman Kava, Frank Oxereok, Reggie Barr, Don Stiles, Dan Harrelson, Dean Peterson, Charles Saccheus Sr., Elvina Naranjo, Harvey Sookiayak, Frank Katchatag, and Victor Joe. Wilfred Katcheak and Joe Garnie were absent and excused. Staff, who were present, were Eugene Asicksik, Tasha Huffman, Janis Ivanoff, Simon Kinneen, Rich Ferry, Josh Osborne, Kathy Wheelehan, and Jerry Ivanoff.

#### APPROVAL OF AGENDA

Eugene Asicksik requested that Dick Tremaine give a crab report to possibly purchase crab quota, under other business. Eugene stated that they have been working with the crab operation of the F/V Pacific Star. Eugene requested that the budget review be flexible to accommodate staff. Simon requested that his budget be reviewed on Thursday.

*Dean Peterson made a motion to approve the agenda, as amended. Frank Oxereok seconded the motion. The motion passed.*

#### APPROVAL OF MINUTES

*Don Stiles made a motion to waive the approval of minutes until the next regularly schedule quarterly board of directors meeting. Elvina Naranjo seconded the motion. The motion passed.*

#### PUBLIC COMMENTS

None provided.

OLD BUSINESS

No old business.

NEW BUSINESS

Dan Harrelson mentioned the different staffs' salaries in the budget and wondered if staff should be present to go over their salaries to ensure confidentiality.

*Harvey Sookiayak made a motion to go into executive session at 9:39 A.M. to go over the NSEDC 2008 Budgets. Frank Oxereok seconded the motion. The motion passed.*

2008 Budget Review

Community Benefits Department

Shore-side Infrastructure

The shore-side infrastructure program budget was reviewed on December 11, 2007.

Bulk Fuel

The bulk fuel budget was reviewed on December 11, 2007.

Community Outreach

The community outreach budget was reviewed on December 11, 2007.

Norton Sound Market Place

The Norton Sound Market Place Budget was reviewed on December 11, 2007.

NSFR&D-Thursday

NSSP

The NSSP Budget was discussed on December 11, 2007.

EET Department

The NSEDC EET Budget was reviewed on December 11, 2007.

NSIC

The NSIC Budget was reviewed on December 11, 2007.

IFQ Harvest Management

The IFQ Harvest Management Budget was reviewed on December 11, 2007.

CDQ Harvest Management-Thursday

Aleutian #1

The Aleutian #1 Budget was reviewed on December 11, 2007.

Revolving Loan

The revolving loan budget was reviewed on December 11, 2007.

Administration Department-Thursdays  
Tender Vessel Management

All the program budgets were presented except the NSFR&D Budget, the CDQ Harvest Management Budget, and the NSEDC Administration Department/Tender Vessel Management, which will be presented on Thursday.

*Dean Peterson made a motion to get out of executive session at 3:43 P.M. Victor Joe seconded the motion. The motion passed.*

Time & Place of 4<sup>th</sup> Quarter Board of Directors Meeting

Chairman Harrelson noted that we may have a meeting in Gambell in January for the NSEDC 2007 Fourth Quarter Board of Directors Meeting, explaining the reasoning for having a meeting someplace other than Nome. Ramona Tungiyang noted that weather is a factor during January for the meeting there. Harvey Sookiayak recommended that the first quarter 2008 meeting in April happen in Gambell, due to weather. Dan noted that BSSD has their board meetings in different locations within our region. Dan recommended that one of our meetings a year happen in another of our member communities. Harvey recommended Anchorage for the fourth quarter meeting. The NSEDC Board of Directors opted for the meeting to happen in Anchorage in January.

Certificate of Corporate Resolution re: Indemnification of the Asicksik and Harrelson Party in Kim K. Hansen et al Lawsuit-Thursdays

2007 Fishermen Bonuses

Chairman Harrelson brought up the 2007 fishermen bonuses. Dan asked staff to put together some numbers, instead of pulling them out of a hat. Tasha passed out the numbers that were crunched. Dan brought up the letter from Randy Takak on the fishermen's bonus. We researched the total number of pounds of salmon purchased in the 2007 season. Don Stiles summarized the bonus with a fifteen percent projection. Dan Harrelson spoke to the salmon operation in Unalakleet. Tasha noted that we purchased 1,155,000 pounds of salmon excluding pinks. Don Stiles recommended that we pay the bonus for just coho salmon. In the past, Dan noted that we paid a dime a pound for salmon last year. Eugene mentioned the bonus paid to the workers as an incentive to keep them working for the whole season. We decided to sleep on this until Thursday.

The meeting was recessed until Thursday at 9:30 A.M. at 4:10 P.M.

December 13, 2007 9:30 A.M.

Chairman Harrelson reconvened the meeting at 9:30 A.M. on December 13, 2007.

*Harvey Sookiayak made a motion to go into executive session at 9:41 A.M. Wilfred Katcheak seconded the motion. The motion passed.*

Review of President & CEO Contracts-Thursaday

The NSEDC Corporate President's Contract was done in executive session. The NSEDC CEO's Contract were deferred.

NSEDC CDQ Harvest Management

The NSEDC CDQ Harvest Management Budget was reviewed on December 13, 2007.

NSFR&D

The Norton Sound Fisheries Research and Development Budget was reviewed on December 13, 2007.

The NSEDC Administration Budget was reviewed on December 13, 2007.

Chairman Harrelson complimented Tasha Huffman and the rest of the staff for their hard work on the NSEDC 2008 Budgets.

*Dean Peterson made a motion to get out of executive session at 2:44 P.M. Harvey Sookiayak seconded the motion. The motion passed.*

*Don Stiles made a motion to approve the NSEDC 2008 Budgets as presented and amended. Harvey Sookiayak seconded the motion. The motion passed.*

*Don Stiles made a motion to split the Unalakleet and Nome NSSP Operations with William Johnson and Josh Osborne submitting their operating budgets in January, 2008, and also the tender vessel management budget. Wilfred Katcheak seconded the motion. The motion passed.*

*We took a break at 2:50 P.M. The meeting reconvened at 3:00 P.M.*

Chairman Harrelson noted that we need to revisit the time and place of the NSEDC 2008 Fourth Quarter Board of Directors Meeting Place. Harvey Sookiayak thought to get away from proposals coming in after the deadline in Nome. Don Stiles did not feel comfortable having the meeting in Anchorage, which might give the media more ammunition for criticism. He felt the meeting should happen in our region. Don felt that, when we are going over proposals, we should be in the region. Dean Peterson thought the meeting should be Anchorage to get away from the walk in proposals at the last minute. Eugene Asicksik voiced his reservations last year, but he thought the board did an excellent job by going into executive session noting the number of proposals, which were higher than he anticipated with people pushing for their own proposals. Don Stiles noted that we did get criticized for going into executive session by the media. Dan Harrelson felt that the proposals should happen in executive session, as only the Nome Residents have the opportunity. Vj voiced his support for the meeting in Anchorage. Truman Kava felt that we would be CS supported Anchorage. Don Stiles supported the decision of the majority of



the board's decision. Dean Peterson supported Anc, as we will get criticized no matter where we have the meeting. Frank Katchatag supported Anchorage, as we will get blasted no matter where we have the meeting. Harvey Sookiayak supported the meeting in the region. Wilfred Katcheak supported the meeting in Anchorage for proposals. Mary Menadelook stated that it did not matter to her. Ramona Tungiyen supported Anchorage. EN ANc FO Anc. Rb supported Nome. Dan Harrelson noted the majority favored the meeting in Anchorage, so he supported the meeting in Anchorage. Dan Harrelson stated that he would take the rap for the location of the meeting, but the board wanted to have it in Anchorage. Dan Harrelson felt that we should have one of our board meetings in one of the villages keeping the Gambell Option open. Harvey Sookiayak asked if staff were keeping in touch with the Ungotts in Gambell with Gilbert Ungott's Status. Eugene mentioned the insurance, where we need a death certificate to pay them their insurance.

#### Certificate of Corporate Resolution

Eugene noted that Margaret Russell, our legal counsel, presented this resolution for approval of the board. Eugene noted that this resolution should be approved by the board, signed by the NSEDC Corporate Secretary and the NSEDC Corporate Vice-President.

*Don Stiles made a motion to pass the resolution 3100-1/#92987 before the board to indemnify Harrelson and Asicksik in connection with the lawsuit of Kim Hansen and others. Harvey Sookiayak seconded the motion. Don wondered if this was a standard form. The motion passed.*

#### 2007 Fishermen's Bonuses

*Dean Peterson made a motion to approve the bonuses as suggested by the board previously with fifteen percent of the ground's price for all the fisheries. Victor Joe seconded the motion. Don Stiles noted that he crunched the numbers and the fifteen percent bonus is the same as increasing the ground's price by fifteen percent. The motion passed, except for abstentions by Don Stiles, Harvey Sookiayak, Frank Katchatag, and Frank Oxereok, as they declared their conflict of interest.*

The review of NSEDC's CEO's Contract was deferred.

#### OTHER BUSINESS

Dick Tremaine was given the floor for the possible purchase of crab quota. Don Stiles made a motion to go into executive session to protect the interest of the company. Dick Tremaine felt this should be discussed in open session. For lack of a second of the motion, Dick went on for the possible crab quota purchase. See "Proposal to Purchase Crab Quota Shares". Dan Harrelson asked if this was the same as a past quota that was turned down. Eugene Asicksik noted that it is not, as the F/V Pacific Star was not included. Dan Harrelson asked for clarification on the current offer by Kim Hansen. Don Stiles asked Dick to explain the "friendly ownership". Dick stated that this would give us two more months of fishing and

increase the profitability of the boat noting the costs of the boat. Dick explained the ownership of quota shares for our crab vessel, the F/V Aleutian #1.

*Dean Peterson made a motion to go into executive session to go over the possible purchase of crab quota shares at 3:39 P.M. Harvey Sookiayak seconded the motion. The motion passed.*

*Don Stiles made a motion to get out of executive session at 4:27 P.M. Elvina Naranjo seconded the motion. The motion passed.*

*Dean Peterson made a motion to authorize Dick Tremaine to move forward on the purchase of crab quota shares and bring it back to the board. Harvey Sookiayak seconded the motion. The motion passed.*

#### NSEDC Bylaws

*Don Stiles made a motion to make the changes to the bylaws concerning officers, article 8, section 1. Dean Peterson seconded the motion. The motion passed.*

*Don Stiles made a motion to table the conflict of interest policy change to address contract services recommended by our attorney, until we can get an opinion from him. Harvey Sookiayak seconded the motion. The motion passed.*

Don Stiles brought up the relocation policy, specific to our facilities engineer. Dan Harrelson noted that the facilities engineer is in Anchorage using vacation time. Eugene noted that we used him last year for EDA Work in our office. Josh explained the work plan for the facilities engineer. Dan Harrelson noted that he is paid a year round salary, whether he is working or not. Dan noted that we paid him a stipend for working in Anchorage and provided a rental car. Dan noted that the vehicle for NSSP is being used by Rich, while he is here in Anchorage. Dan Harrelson noted that, if anything is broke, now is the time to work on it. Don Stiles asked about the vehicle purchased for NSSP and the sale of the one we have now. Don went over the relocation policy in the employee handbook, which is pretty generous. Don Stiles recommended that we do not provide him benefits like housing and meals year round to cut our cost to provide more benefits to the region.

#### NSEDC Mission Statement

Simon Kinneen pointed out the five mission statements, which were reviewed and discussed. Simon noted that we are trying to shorten our mission statement giving a couple alternatives to the board.

1. "Community Development Quota."
2. "To create new and unique opportunities to improve the quality of life in the Norton Sound Region."

3. "Sustainably harvest marine resources to bring economic benefits to the Norton Sound Region."
4. Original Mission Statement
5. NSEDC's Original Mission Statement with Jerry's Revisions.

A vote was taken with 3 for 1, 2 for 2, 1 for 3, 0 for 4, and 6 for 5.

*Reggie Barr made a motion to adopt the revised original NSEDC Mission Statement. Mary Menadelook seconded the motion. The motion passed.*

**"NSEDC will participate in the Bering Sea Fisheries to provide economic development through education, employment, training, and financial assistance to our member communities."**

The NSEDC CEO's Contract was tabled, until the bylaws were revised. Dan Harrelson asked Eugene if he was willing to continue to serve at the NSEDC CEO.

*Harvey Sookiayak made a motion to extend the NSEDC CEO's Contract until January 31, 2008. Reggie Barr seconded. The motion passed.*

#### ADJOURNMENT

*Harvey Sookiayak made a motion to adjourn the NSEDC Special Board of Directors' Budget Meeting at 5:08 P.M. Elvina Naranjo seconded the motion. The motion passed.*

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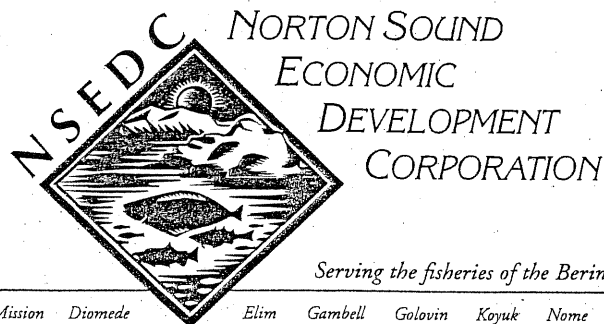
Dan Harrelson, NSEDC Board Chairman

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Jerry Ivanoff, NSEDC Corporate Secretary

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Date



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  
Special Board of Directors' Teleconference  
NSED Boardroom  
December 21, 2007  
1:30 P.M.

CALL TO ORDER

Chairman Dan Harrelson called the NSED Special Board of Directors' Meeting to order at 1:39 P.M.

ROLL CALL

Present via teleconference: Dan Harrelson, Don Stiles, Harvey Sookiayak, Joe Garnie, Frank Katchatag, Frank Oxereok, Ramona Tungiyen, Reggie Barr, Elvina Naranjo, Charles Saccheus Sr., Dean Peterson, Wilfred Katcheak, Victor Joe, Mary Menadelook and Truman Kava. Staff present: Janis Ivanoff and Kathy Wheelehan. Others present: Margaret Russell and Don Mitchell.

APPROVAL OF AGENDA

Chairman Harrelson went over the agenda and added "Appointment of CDQ Panel Primary Member" as number four under New Business. Wilfred Katcheak asked the board to reconsider the location of 4<sup>th</sup> Quarter meeting. This was added as item five under New Business.

*Harvey Sookiayak moved, seconded by Wilfred Katcheak, to approve the agenda as amended. Question was called. The motion passed unanimously.*

APPROVAL OF MINUTES

*Reggie Barr moved, seconded by Ramona Tungiyen, to waive approval of the minutes until the regularly scheduled meeting. Question was called. The motion passed unanimously.*

WAIVER OF WRITTEN NOTICE OF MEETING

*Harvey Sookiayak moved, seconded by Victor Joe, to waive written notice of the meeting. Question was called. The motion passed unanimously.*

PUBLIC COMMENTS

There were no public comments.

## NEW BUSINESS

### Election of Interim CEO

Chairman Harrelson's Recommendation is to elect Janis Ivanoff as acting NSEDC CEO until we hire a new chief executive officer. He asked for the board's input and if they were all in agreement. Charles Saccheus offered his support for Janis saying she is next in line and has been working along side Eugene. Joe Garnie asked if staff and Janis are agreeable to that decision. Chairman Harrelson said he did talk with Janis beforehand and she is willing to take on the responsibility.

*Harvey Sookiayak moved, seconded by Reggie Barr, to appoint Janis Ivanoff as acting chief executive officer. Question was called. The motion passed unanimously.*

### Issues to Consider with the Resignation of the NSEDC Chief Executive Officer

Chairman Harrelson asked Janis to go over these issues. She said one of the first things staff is working on is notifying associates, partners, the Norton Sound Region, including the city governments and media of what the transition plan will be.

The next issue is setting a timeline and identifying a team to organize the search and hiring of a new chief executive officer. Chairman Harrelson said he has received a few recommendations from board members on how the process might go. One is for the NSEDC Executive Committee to assist in a recruitment process or come up with a short list and approach prospective candidates. He would like to have someone like Don Mitchell involved in reviewing applications to help determine how suitably applicants fit our needs. Wilfred asked if the plan is to review applicants at the January Board Meeting. Harvey suggested that the search involve a look into the applicant's background. He doesn't think the January Meeting gives the process enough time. He added that it isn't difficult to call a special board meeting.

*Harvey Sookiayak, moved seconded by Frank Katchatag, to have the NSEDC Executive Committee work with staff and start the search and hiring process. Question was called. The motion passed unanimously.*

The board started to discuss compensation for the current chief executive officer.

*Don Stiles moved, seconded by Harvey Sookiayak, to go into executive session. The board went into executive session at 1:53 P.M.*

Frank Oxereok and Dean Peterson joined the teleconference at about 2:05 P.M.

*Don Stiles moved, seconded by Harvey Sookiayak, to return to regular session at 2:10 P.M.*

*Don Stiles moved, seconded by Elvina Naranjo, to go with the \$120,000 with five years of retirement equaling a total of \$175,000. Question was called. The motion passed unanimously.*

Chairman Harrelson asked if there was anything else the board needed to address. Janis didn't know if a motion was required, but she would like the authority to make the necessary changes in the NSEDC Community Benefits Department, as needed for this transition. Chairman Harrelson said he and Janis can handle those decisions as they arise.

Janis also wanted to clarify that the board does wish to have a recognition dinner for Eugene at the January Board Meeting.

## Appointment of CDQ Panel Primary Member

Chairman Harrelson said that Simon Kinneen is now the alternate member on the CDQ Panel and asked for confirmation with the board to make him the primary member, until a new chief executive officer is elected.

*Harvey Sookiayak moved, seconded by Frank Oxereok, to appoint Simon Kinneen as the primary member until a new chief executive officer is elected. Question was called. The motion passed unanimously.*

## Location of the NSEDC Fourth Quarter Board Meeting

Wilfred thought the meeting should be in Nome, if we are going to recognize Eugene. Several board members expressed that they would be more comfortable having the meetings at another location. Chairman Harrelson suggested we play it by ear for a bit and he would let the board know.

In closing, Chairman Harrelson expressed his regret regarding Eugene's resignation, especially at this time, but we need to pull together and move forward. He has faith in Janis' Capabilities.

Don Stiles asked to clarify the recruiting process a little more. The NSEDC Executive Committee and Staff will recruit applicants, narrow the list down to the most suitable, then the board will review that short list.

## OTHER BUSINESS

There was no other business.

## ADJOURNMENT

*Harvey Sookiayak moved, seconded by Victor Joe, to adjourn the meeting at 2:20 P.M. The motion passed.*

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Dan Harrelson, NSEDC Board Chairman

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Jerry Ivanoff, NSEDC Corporate Secretary

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Date