



# NSED news

Winter 2009

## Norton Sound Economic Development Corporation

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## NSED Mission Statement

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

## NSED Board Members & Member Communities

Reggie Barr • *Brevig Mission*  
Mary Menadelook • *Diomed*  
Charles Saccheus, Sr. • *Elim*  
Joel James • *Gambell*  
Dean Peterson • *Golovin*  
Elvina Naranjo • *Koyuk*  
Don Stiles • *Nome*  
Truman Kava • *Savoonga*  
Victor Joe • *St. Michael*  
Harvey Sookiayak • *Shaktolik*  
Wilfred Katcheak • *Stebbins*  
Joe Garnie • *Teller*  
Frank Katchatag • *Unalakleet*  
Frank Oxereok • *Wales*  
Dan Harrelson • *White Mountain*

## NSED Forms Siu Alaska Corporation

NSED has formed the Siu Alaska Corporation (Siu), a for-profit subsidiary. As a wholly-owned corporation, NSED retains 100% ownership in Siu. NSED is endowing Siu with vessels and businesses that are profit generating including its full interests in Glacier Fish Company, the longliner *F/V Glacier Bay*, the crabber *F/V Aleutian No 1*, and the *F/V Pacific Star*. It is also providing initial capital to Siu to allow it to invest in additional business ventures. The purpose of Siu is to earn profits and return dividends to NSED for its non-profit activities.

In 2007, the NSED Board directed staff to retain legal counsel to analyze its tax position and to report findings. A thorough process ensued during which it was determined that while most NSED activities were to be considered non-taxable under an IRS Private Letter Ruling, some investments were not consistent and therefore needed to be treated as taxable income. To protect its non-profit status the NSED Board concluded, with direction from legal counsel, that the creation of a wholly-owned for-profit subsidiary corporation was warranted.

The Siu Alaska Corporation was formed in 2008 and has begun its organizational processes. The Siu Board is composed of three NSED-affiliated members (**Don Stiles, Harvey Sookiayak, and Dan Harrelson**) along with four non-affiliated members (**John Baker, Ike Towarak, Neal Foster and John Eckels**). Siu is preparing to receive ownership in the aforementioned taxable investments.

Siu's functions will include oversight of existing taxable investments, the pursuit of further investments, and distributions of profits to NSED (Siu's sole shareholder). NSED will continue to operate and provide programs and benefits in the region, and Siu will attempt to find business investments that form synergies with NSED's other assets and therefore bring additional direct income to the company and region. Siu

has been capitalized in the amount of \$6 million in cash in addition to the fishery investments to provide start-up funds, operating cash, and a financing base.

The formation of Siu, while a significant change in the course of business, is a necessary approach to protect assets and the valuable CDQ royalties.

## 2007 NSED Annual Report

As you may have noticed, the 2007 NSED Annual Report has not yet hit the Post Offices in our member communities. We'd like to thank you for your patience and assure you that we're working to get it out shortly! New federal laws mandate that we include audited financial information in these reports. NSED has published our audited balance sheet in our reports for many years, so this is nothing new to us. For 2007 we have engaged a new firm, Altman, Rogers and Co., to provide audited financials; audit work is underway and we look forward to sending our reports to the communities soon.



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## The NSEDC Education Foundation

In 1993, the NSEDC Board of Directors established an investment account titled the Education Endowment Fund with the intent of some day establishing a separate, independent organization in an effort to ensure perpetual support of education and training for residents of NSEDC member communities. That day has arrived, and the board is excited to announce the formation of the NSEDC Education Foundation (Foundation).

The Foundation is incorporated as an

Alaska non-profit corporation with the sole purpose of supporting educational opportunities for residents of the Norton Sound region. The NSEDC Board has identified the following individuals to serve as the Foundation's initial board members:

- Victor Joe, *St. Michael*
- Wilfred Katcheak, *Stebbins*
- Laura Degnan Lawrence, *Nome*
- Eric Morris, *White Mountain*
- Janice Dickens, *Unalakleet*

The Foundation is still in the organizational stage and upon recognition of tax-exempt status by the Internal Revenue Service, NSEDC will transfer the sum of \$15 million to the Foundation to fund its activi-

ties. The initial activities the Foundation will administer are higher education and vocational training scholarships. In the future, Foundation activities may expand to include educational loans and fellowships and grants to other organizations that provide educational benefits or training to the region's residents.

NSEDC plans to maintain an Education, Employment and Training (EET) department. The Foundation will assume the administration of the scholarship program and the NSEDC EET department will continue to provide member community training, fisheries safety orientation training, employment on Bering Sea fishing vessels and NSEDC-sponsored internships.

## NSEDC 2008 Energy Subsidy

In response to the dramatic increase in energy costs, the Norton Sound Economic Development Corporation (NSEDC) Board of Directors approved a one-time subsidy to assist residents of its member communities in meeting increased energy costs. Koyuk board member Elvina Naranjo introduced the energy subsidy proposal at NSEDC's 2008 2nd quarter meeting and the Board subsequently held a workshop during the week of August 25th to discuss several options and develop the scope of the program.

After discussing the options, the board approved a one-time subsidy to residential electric utility accounts during the winter of 2008-2009, determining that this would be

the most efficient and effective manner in alleviating some of the economic hardship high energy costs have caused. Recognizing that an energy subsidy program would assist residents in all member communities while meeting an important need, the Board allocated funds previously intended for the 2009 Outside Entity Grant Funds to finance the 2008 Energy Subsidy Program.

In the first weeks of October, NSEDC staff traveled to each member community (with the exception of Diomedes due to travel difficulties) to sign up as many participants as possible during the visit. With the assistance and hard work of NSEDC's Community Outreach Liaisons, George Lewis in Nome and Jamie Ahkinga in Diomedes, the sign-up

period remained open through October 31st. Many community members expressed how grateful they were of NSEDC's help.

By the end of November, each eligible household account holder that signed up to participate was credited \$500. In total 2,368 participants signed up and



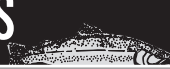
*George Lewis (right), NSEDC Nome Representative for the Energy Subsidy, getting one of Nome's residents signed up to receive the \$500 subsidy.*

\$1,184,000 was applied directly to electric utility accounts throughout the Norton Sound region. All utility providers were cooperative and helpful in ensuring that all possible account holders signed up for the subsidy.

The NSEDC Board of Directors are confident this program has helped ease the immediate burden of rising energy costs affecting the region, but acknowledged that this is a one-time subsidy and a short-term solution and directed staff to examine long-term solutions.



*The NSEDC Board discusses the resolution to approve the Energy Subsidy.*



## NSSP Acquires Tender Vessel *Egavik*

In 2006, the NSEDC Board of Directors approved funding for a new tender vessel for the Norton Sound Seafood Products (NSSP) operations. A new tender was needed to support the expanding salmon operations. They also wanted a vessel with the capability to haul oversized materials in the region.

Rip Carlton, whom manages the Aleutian No. 1, and Middy Johnson, Southern NSSP Operations manager, searched websites, contacted owners, and with the help of brokers, found the right vessel for NSSP.

The name *Egavik* came from a river north of Unalakleet and near Shaktoolik. This river is a popular salmon river, and it only seemed fitting for this new salmon tender to be named after it.

After some modifications were made to the vessel, it needed to make its way home to Alaska. A crew flew to Oregon three weeks early to assist in the refurbishing of the vessel, learn its mechanics, and get acquainted with its operations. The crew included Captain Dan Takak, Co-captain Rick Alvarez, Engineer Vernon Auliye, and Mate Myron Savetilik. They left Newport, Oregon in the first part of June and it took approximately ten days to cross the Gulf of Alaska and on to Dutch Harbor. It took an additional four days to bring the boat to Nome.

For its first season, the *T/V Egavik* operated out of Unalakleet as a purchasing vessel for salmon from the Norton Bay district, Ungalik, Moses Point/Elim, Golovin, and it assisted in the Shaktoolik fisheries. It is currently in Dutch Harbor to have zinc plates installed.

It will be back in time for the 2009 Norton Sound salmon operations. Eventually the diesel engines will be replaced for better fuel efficiency and operation.

Middy Johnson feels that NSSP is very fortunate to find a vessel of this size and in as good of shape as it is in. The cost to purchase and refurbish the vessel was under budget, which will allow NSSP to once again upgrade its crab tender operations with a similar vessel for the 2009 season. This tender is ideal for the NSSP operations, it allows the operations to transport product safely, in more adverse weather conditions than our older tenders, and also gives the operations the capability to carry double the capacity than the older tenders. The *T/V Egavik* is ideal for NSSP's growing operations.



*T/V Egavik docked by the Unalakleet salmon plant.*





# Norton Sound Fisheries Research and Development Season Summary

by Charlie Lean & Wes Jones

For those of us working in fisheries, the summer season is when you make or break it. The Fisheries Research and Development Program this summer had had some notable successes and a few set-backs. We brought some new technology to the region, real state of the art stuff. The Didson Sonar counting salmon in the Shaktoolik River is going to be a project that will set standards on how to count fish. The camera sled survey that FR&D helped Fish and Game deploy on Bering Sea crab stocks and their habitat verified what the residents of St. Lawrence Island have known for years, the benthic habitat surrounding the island is "world class" in its productivity. The people of Golovin and White Mountain have been scratching their heads over our rotary screw smolt trap



A group of students and their parents help the FR&D crew with egg taking on the Solomon River.



Shaktoolik sonar crew members Priscilla Rock and Charlene Katchbatat review and transfer sonar data.

which was brought up on our new tender the Egavik. This Smolt trap will be deployed next spring as part of our juvenile coho salmon study. The Fish River is a lot bigger than the Nome River where the early work on juvenile coho has been focused until this year. The Clean Waters Program has taken on some of the beaches of St. Lawrence Island and Golovin Bay. The crews are proud of their work and they should be. Those are just the highlights of this summer. The ongoing projects combined with projects just listed resulted in the largest FR&D program yet. It's been busy but good summer.

The mediocre return of red salmon to Salmon Lake was a topic of some concern this summer. In the end, just a few fish under 25,000 were counted at the weir, so well over 20,000 actually spawned. The harvest numbers are not yet in. The commercial fishery took less than 100 red salmon, and the subsistence harvest will likely fall between 5,000 and 10,000. Most of the harvest is taken below the counting station so it is likely the total run strength will exceed



Female chums about to be inspected on the Solomon River.



Taylor Booth, Beth Reiter and Reba Lean sort juvenile coho into a separate net pen from the total catch.

30,000 red salmon. In other words, the return was right at the point where the Board of Fisheries allowed a commercial fishery and considered the subsistence opportunity to be adequately addressed.

The 2008 sockeye return was below the last few years return in all Norton Sound rivers. Sockeye salmon are generally on a five year cycle and this was the weak year in the cycle. Although there was no fertilization of Salmon Lake during one of the juvenile years of this return, the return did not loose ground on the relative size of the return as compared to the previous years in the cycle. The lake fertilization in 2008 was less than it had been in previous years, but still significant at six tons over the summer. In the early years of fertilization up to 25 tons were deployed. The fertilizer helps to maintain the phosphorus and nitrogen levels in the lake so that there is adequate phyto- and zooplankton for the juvenile fish to feed on. The data is not complete enough to state with absolute authority that fertilization is responsible for the upswing of the Salmon lake red salmon. Rather, the smolt have done better during the period when fertilizer was deployed. The smolt have been larger at age and they have gone to sea as two year olds as opposed to three year olds when the lake was heavily utilized by large numbers of smolt or when adult returns were very small. Data analysis is ongoing with our collection of water samples, adult counting, and smolt counting at both the affected lake and the untreated Glacial Lake. Preliminary results from this summer, found that Salmon Lake smolt migrating to sea were in better condition than Glacial Lake smolt. We believe both lakes are now near their carrying capacity and that modest fertilization can be used to keep productivity there.

The mist incubation and eyed egg implant project had its first returns this summer. Four years ago NSEDC and ARED planted chum salmon in Hastings Creek ten miles east of Nome. This is a small stream that saw heavy mining in the early 1900s. The stream is written up in several accounts as a "man



*Part of the Gambell Clean Up crew during a break.*

trap” because of heavy aufeis (glaciering) where men, dog teams and more recently snow machines have become stuck. There is no natural return of chum salmon in this stream. But there was this year! We recovered 14 chum, all 4 years old. The otoliths have not been checked officially yet, but it is encouraging. Proving-up on this new technology is essential to gaining confidence with the regulatory agencies to help to jump start several other salmon returns that are in trouble. We continue to work on Solomon River, Anvil Creek and we are developing a plan for the Kwik River. These are all watersheds with salmon stocks in trouble.

The Norton Sound King Crab survey was finally completed in late August. The numbers of red king crab observed were very similar to the numbers observed two years ago. The population appears stable. The crab were quite evenly spread throughout the sound, unlike many surveys in the past. This would tend to reduce concerns that portions of the red crab population were being over harvested in some locations. By the end of winter we hope to make some comparisons of other productive opilio tanner crab and blue king crab fishing habitats to areas with in our region.

NSEDC's Clean Waters Program along with Marine Conservation Alliance Foundation conducted beach clean up projects based in Golovin, Gambell and Savoonga. All the coast line of Golovin Bay was cleaned. On St. Lawrence Island the coast line between Gambell and Savoonga was cleaned with additional beaches east of Savoonga and southwest of Gambell covered. The collection



*An example of the type of rope and nets collected from St. Lawrence Island.*



*An example of the type of nets collected from St. Lawrence Island.*

during 2008 from over 100 miles of beach weighed in excess of 123,000 pounds!

This past summer Norton Sound Fisheries Research and Development Department partnered with the Alaska Department of Fish and Game to bring a camera sled to the region



*Camera sled being deployed south of St. Lawrence Island.*

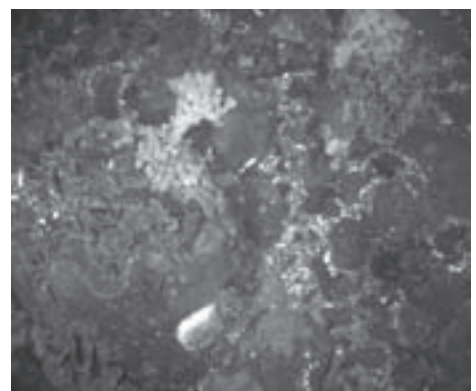


*Camera sled picture of a blue king crab.*

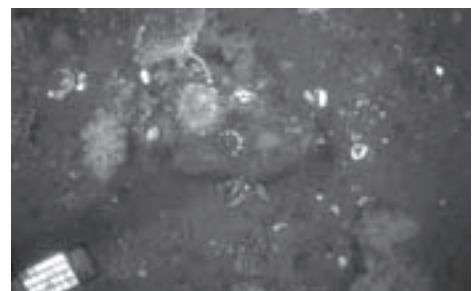


*Example of some debris collected from Golovin Bay.*

aboard the R/V Pandalus. This sled is pulled along the ocean bottom to take pictures and document habitat. On the way to Norton Sound the Pandalus used the camera sled to collect pictures around St. Paul, St. Mathews and St. Lawrence islands. The camera sled takes 4 pictures per second. Over 200,000 pictures were taken of the ocean bottom south of St. Lawrence Island. From an initial look of a few of the picture it appears that the diversity of life documented is on par with what other projects have documented much farther south.



*Camera sled picture of sponges and soft coral south of St. Lawrence Island.*



*Camera sled picture of sea floor south of St. Lawrence Island.*



## NSEDC EMPLOYEE SPOTLIGHT



Elizabeth "Liz" Ivanoff survived her second season as an Accountant/Office Assistant working for Norton Sound Seafood Products (NSSP) in Unalakleet. Liz's so-called

typical day, because everyday is different in the fishing industry, starts at 8:00 am and goes to any time between 5:00 and 8:00 pm. Her duties include tallying employee hours and fishermen's tickets, answering incoming phone calls, and keeping the office well controlled. During the busy fishing season, she is a great asset in making sure everything is running smoothly so that everything gets done correctly and on time.

Before working with NSSP, Liz had four years of experience as a commercial fisherwoman in Sand Point, Alaska. She now says, "It's great to be on this side of the industry!" When Liz returned home to Unalakleet in 2007, she found part-time work at the City of Unalakleet. At the time, NSSP Plant Manager, William "Middy" Johnson,

was in need of a reliable worker and asked her to put in an application. She got the job and started working with NSSP mid-season of 2007.

As for Middy's point of view on working with Liz, he has nothing but good remarks about her work ethic. "Liz has been a joy to work with. When I have to travel, she steps up to the plate and keeps things organized. She is a big part of our high recruitment success. Liz also works long hours without complaining. She really puts her job first."

From the entire NSEDC and NSSP staff we thank Elizabeth for all her time and hard work put into her job and keeping the Unalakleet plant running smoothly.

## NSEDC SCHOLARSHIP RECIPIENT HIGHLIGHT



**Chelsea Ryan**

*Unalakleet, Alaska*

My name is Chelsea Ryan and I attend the University of Alaska Anchorage. I'm currently studying Accounting and Business. I've switched my major twice, took too many PE classes and I've taken a year off to "find myself". It's such a cliché thing to say, but I

grew up more in that year than the previous two years in college.

The "finding myself" phase was difficult to go through. In High School, I was an Honor Student. Most of my classmates were competitive when it came to grades and finishing on top. Being a nerd was the cool thing to do. If you find yourself feeling aimless, don't feel pressured to pick a major. The average college student goes to school for two years before deciding what they want to get a degree in.

I've been attending classes regularly for the last two years and working as an intern for NSEDC. Recently, NSEDC hired me as a full time employee as an Accounts Payable Clerk! I've grown to love the business environment. Working with such a great company is also a plus. They continue to give me the time

and assistance to pursue my degree. Through persistence and support I know I'll achieve my goal of earning a degree.

I'd like to thank my parents for always putting up with my shenanigans; my brothers for pushing me to be a better sister; and of course my Mom #2, Judie Kotongan for treating me like another daughter.



# NSEDC ADMINISTRATION, LIAISONS & COMMITTEES



## Administration

**Daniel Harrelson**  
*President*

**Janis Ivanoff**  
*Vice President & CEO*

**Camille Cruz**  
*Human Resources Director*

**Simon Kinneen**  
*CDQ Manager*

**Dick Tremaine**  
*Asset Manager*

**Virginia Nashalook**  
*Treasurer & Senior Accountant*

**Heather Karmun**  
*Payroll Clerk*

**Chelsea Ryan**  
*Accounts Payable Clerk*  
**Pearl Dotomain**  
*Administrative Assistant*

## Community Benefits

**Paul Ivanoff III**  
*Community Development Coordinator*

**Katie Peterson**  
*Community Development Coordinator*

**Kathy Wheelehan**  
*Community Outreach Coordinator*

**Yvonne "Galsy" Ashenfelter**  
*Community Benefits Specialist*

## Education, Employment and Training

**Jerry Ivanoff**  
*Secretary & EET Coordinator*

**Carol Charles**  
*Administrative Assistant*

## Norton Sound Fisheries Research & Development

**Charlie Lean**  
*NSFR&D Director*

**Wes Jones**  
*Fisheries Biologist*

**Jacob Ivanoff**  
*Fisheries Technician*

**Sye Larsen**  
*Fisheries Technician*

## Norton Sound Seafood Products (NSSP)

**Josh Osborne**  
*Northern NSSP Operations Manager*

**William "Middy" Johnson**  
*Southern NSSP Operations Manager*

**Richard Ferry**  
*Facilities Engineer*

**Crystal Taxac**  
*NSSC Accountant*

## NSEDC COMMUNITY OUTREACH LIAISONS

**Johnnee Seetot**  
*Brevig Mission*

**Andrew Milligrock**  
*Diomedes*

**Emily Murray**  
*Elim*

**Shirley Antogham**  
*Gambell*

**Sherri Lewis**  
*Golovin*

**Ruby Nassuk**  
*Koyuk*

**Shirley Martin**  
*St. Michael*

**Charlotte Kava**  
*Savoonga*

**Reuben Paniptchuk**  
*Shaktolik*

**Atha Foxie**  
*Stebbins*

**Sarah Okbaok**  
*Teller*

**Joanne Keyes**  
*Wales*

**Davis Lincoln**  
*White Mountain*

## NSEDC COMMITTEES

### Executive Committee

- Dan Harrelson, *Chairman*
- Frank Katchatag
- Elvina Naranjo
- Dean Peterson
- Harvey Sookiayak

### NSSP Working Group

- Reggie Barr
- Joe Garnie
- Frank Katchatag
- Dean Peterson
- Steve Ivanoff, *At-Large*
- Frank McFarland, *At-Large*

### Fisheries Development Committee

- Charles Saccheus, Sr., *Chairman*
- Reggie Barr
- Joe Garnie
- Wilfred Katcheak
- Truman Kava
- Elvina Naranjo
- John Bundy (GFC, LLC)

### Rules & Bylaws Committee

- Don Stiles, *Chairman*
- Joe Garnie
- Frank Katchatag
- Mary Menadelook
- Elvina Naranjo
- Charles Saccheus, Sr.
- Harvey Sookiayak

### Scholarship Committee

- Victor Joe, *Chairman*
- Joel James
- Truman Kava
- Elvina Naranjo
- Frank Oxereok

### Finance Committee

- Dan Harrelson, *Chairman*
- Frank Katchatag
- Wilfred Katcheak
- Frank Oxereok
- Dean Peterson
- Harvey Sookiayak
- Don Stiles
- Jack Carpenter, *At-Large*
- Henry Ivanoff, *At-Large*

**NORTON SOUND ECONOMIC  
DEVELOPMENT CORPORATION**

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