

2009 SECOND QUARTER REPORT

April 1 – June 30, 2009



NORTON SOUND ECONOMIC DEVELOPMENT CORPORATION

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I. Quarterly Highlights

- The NSEDC Board of Directors held its 2009 first quarter meetings in Unalakleet, Alaska April 23-24, 2009.
- \$50,500 in scholarships were awarded to 26 residents.
- Twenty-two residents of NSEDC member communities and other Alaska communities worked on the *F/V Pacific Glacier*, *F/V Northern Glacier*, *F/V Alaska Ocean*, *F/V Norton Sound* and the *F/V Glacier Bay* earning a total of \$134,952.67 in wages.
- NSEDC sponsored a sewing class in Brevig Mission.
- NSEDC sponsored one resident from Shaktoolik for a marine safety drill instructor course in Nome.
- NSEDC sponsored a driver's education, "Behind the Wheel" course for Gambell residents.
- In April, John Eckels was hired as the CEO of Siu Alaska Corporation, NSEDC's wholly owned for profit subsidiary. John will be working out of the NSEDC and Siu offices in Anchorage.
- Barbara Nickels was hired as the Executive Director of the NSEDC Education Foundation. Barb will be working out of the NSEDC Education Foundation office located in Nome.
- Richard Ferry was promoted to the position of Northern NSSP Operations Manager.
- The Clean Waters Program projects in Stebbins, St. Michael, Gambell, and Brevig Mission were successfully executed.
- Seventeen summer interns were hired by NSEDC.
- Three fishermen delivered 1,757 pounds of Open Access Norton Sound winter red king crab to the Norton Sound Seafood Center in Nome for a total ex-vessel price to the fishermen of \$5,271.
- Six fishermen delivered 53,517 pounds (26.759 tons) of bait herring to NSSP in Unalakleet for a total ex-vessel price to the fishermen of \$16,055.10.

A. Outreach

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

- NSEDC Board of Directors held its 2009 first quarter meetings in Unalakleet, Alaska April 23-24, 2009; these meetings were open to the public.
- NSEDC Board of Directors notified residents of the 2009 first quarter meetings by placing an ad in The Nome Nugget.
- NSEDC placed nine newspaper advertisements.
- Community Benefits staff was interviewed by KNOM to highlight the 2009 Small Business Initiative program.
- NSEDC staff traveled to Shaktoolik, Gambell, and St. Michael for job fairs in April. Topics presented included scholarships and loan information, internships and summer job opportunities with NSSP and NSFR&D, as well as information about open NSEDC positions.
- NSEDC staff traveled to Golovin for a White Mountain-Golovin wind farm partnership meeting.
- Community outreach meetings were held in Brevig Mission, Teller, Wales, Koyuk, Shaktoolik, Stebbins, St. Michael, Gambell, Elim, Golovin, and White Mountain by NSEDC staff. At these meetings, staff promoted the 2009 Small Business Initiative.
- NSFR&D staff attended fishermen's meetings in Nome, Brevig Mission, Teller, Stebbins, St. Michael, Unalakleet, Shaktoolik, Koyuk, Elim, and Golovin.
- NSFR&D staff attended a Nome Port Commission Meeting, Coast Guard briefing, the University of Alaska Fisheries Research Planning session in Juneau, the Fish and Game Fisheries preseason manager's meeting in Anchorage, and the Fish and Game Chinook salmon meeting in Unalakleet.
- NSEDC distributed a newsletter to all NSEDC member community box holders in June.
- NSEDC staff attended the Renewable Energy Alaska Project (REAP) Business of Clean Energy in Alaska (BCEA) Conference in Anchorage in May.
- NSEDC staff hosted community outreach meetings in Elim, Golovin, Nome, and White Mountain in April.
- NSEDC continued to update the organization's web site (www.nsedc.com) from which constituents can access quarterly reports, newsletters, applications, and information regarding opportunities with NSEDC.
- NSEDC has Community Outreach Liaisons in thirteen of its member communities with Community Development Coordinator, Paul Ivanoff III serving Unalakleet and the NSEDC Nome Office serving Nome. The NSEDC liaisons are sent informational fliers, applications, and other information to circulate within their communities.

Table 1
EMPLOYMENT DATA FORM
June 30, 2009

	Q1		Q2		Q3		Q4		Year-to-Date
	People	Wages	People	Wages	People	Wages	People	Wages	Wages
Management/Administrative									
NSEDC	12	\$ 159,427.30	11	\$ 197,681.39					\$ 357,108.69
NSSP	5	\$ 72,527.84	6	\$ 59,181.51					\$ 131,709.35
Total Management/Administrative	17	\$ 231,955.14	17	\$ 256,862.90					\$ 488,818.04
CDQ Pollock Related									
A/B Season	13	\$ 93,468.99	20	\$ 122,042.87					\$ 215,511.86
C/D Season	0	\$ -	0	\$ -					\$ -
Total Pollock Related	13	\$ 93,468.99	20	\$ 122,042.87					\$ 215,511.86
Total NSSP Employment	2	\$ 708.76	56	\$ 81,015.67					\$ 81,724.43
Other NSEDC Employment									
Skippers, Deckhands, Shoreside, etc.	0	\$ -	15	\$ 35,090.00					
Total Other NSEDC Empl.	0	\$ -	15	\$ 35,090.00					\$ 35,090.00
Other Fishing									
GFC - Longline	2	\$ 16,939.24	2	\$ 12,909.80					\$ 29,849.04
Aleutian No. 1	0	\$ -	0	\$ -					\$ -
O/A Norton Sound Winter Red King Crab	5	\$ 20,073.00	3	\$ 5,271.00					\$ 25,344.00
O/A Norton Sound Red King Crab	0	\$ -							\$ -
NSEDC CDQ Red King Crab	0	\$ -							\$ -
YDFDA CDQ Red King Crab	0	\$ -							\$ -
Norton Sound Salmon	0	\$ -							\$ -
Norton Sound Herring	0	\$ -	6	\$ 16,055.10					\$ 16,055.10
NSEDC CDQ Halibut	0	\$ -							\$ -
Total Other Fishing	7	\$ 37,012.24	11	\$ 34,235.90					\$ 71,248.14
NSEDC Community Outreach Liaisons	13	\$ 19,500.00	13	\$ 19,500.00					\$ 39,000.00
Interns									
NSEDC Administration	0	\$ -	2	\$ 1,822.33					\$ 1,822.33
NSEDC Salmon Rehab.	0	\$ -	10	\$ 27,178.14					\$ 27,178.14
Alaska Dept. of Fish & Game	0	\$ -	2	\$ 4,309.09					\$ 4,309.09
Kawerak, Inc.	0	\$ -	0	\$ -					\$ -
Native Village of Unalakleet	0	\$ -	0	\$ -					\$ -
City of Koyuk	0	\$ -	0	\$ -					\$ -
Kawerak, Inc.- Unalakleet	0	\$ -	0	\$ -					\$ -
Fisheries Development	0	\$ -	3	\$ 4,558.12					\$ 4,558.12
Total Interns	0	\$ -	17	\$ 37,867.68					\$ 37,867.68
GRAND TOTALS	52	\$ 363,145.13	149	\$ 586,615.02					\$ 969,260.15
NSEDC =	25	\$ 178,927.30	56	\$ 290,139.07					\$ 469,066.37
NSSP =	12	\$ 93,309.60	71	\$ 161,523.28					\$ 254,832.88
Partners =	15	\$ 110,408.23	22	\$ 134,952.67					\$ 245,360.90

Employment Summary

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

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

Community Breakdown: 6 employees from Unalakleet
2 employees from Stebbins
2 employees from Anchorage
1 employee from Shishmaref
5 employees from St. Michael
1 employee from Brevig Mission
1 employee from Soldotna
1 employee from Eagle River
1 employee from Teller

NSSP Employment – Fifty-six residents were employed during the second quarter.

Other NSEDC Employment – There were fifteen other NSEDC employees in the second quarter.

Other Fishing –

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

Community Breakdown: 1 employee from Shishmaref

One resident of a nearby community was employed aboard the *F/V Glacier Bay* during the quarter.

Community Breakdown: 1 employee from Anchorage

Six fishermen delivered 53,517 pounds (26.759 tons) of bait herring during the second quarter.

Community Breakdown: 6 fishermen from Unalakleet

Three fishermen delivered 1,757 pounds of Open Access Norton Sound red king crab in the winter fishery during the second quarter.

Community Breakdown: 3 fishermen from Nome

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

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

Interns – There were seventeen internship positions sponsored by NSEDC during the second quarter.

Training Data Form

**Table 2
 TRAINING DATA FORM
 April 1 thru June 30, 2009**

	Quarter		Year-to-Date	
	People	Expenditures	People	Expenditures
Scholarships				
Post-Secondary	12	\$22,500.00	124	\$229,835.00
Vocational	14	\$28,000.00	28	\$56,000.00
Voc-Tech				
Basic				
Advanced				
Other Training				
Fisheries Related	1	\$1,006.00	1	\$1,006.00
Student Loans				
CDQ Staff				
CDQ Board				
Other	40	\$16,070.84	40	\$16,070.84
Other Expenditures				
To Education Institute				
Education Endowment				
TOTAL	67	\$67,576.84	193	\$302,911.84

Training Summary

Twenty-six students received funding for post-secondary education in the second quarter. Eleven Gambell students participated in the “Behind the Wheel” driver’s education class. NSEDC sponsored a sewing class in Brevig

Mission attended by twenty-nine residents. NSEDC sponsored one resident from Shaktoolik for a marine safety drill instructor course in Nome

II. Administration

A. Board Activities

Board of Director Meetings

The NSEDC Board of Directors held its 2009 first quarter meetings in Unalakleet, Alaska April 23-24, 2009.

The NSEDC Board of Directors held a special meeting at the Inlet Tower Hotel in Anchorage, Alaska on June 23, 2009.

Substantial Decisions

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

- The Board directed staff to move forward with the UVEC and NSEDC wind turbine project, investing \$1 million in the project to reduce energy costs for Southern NSSP operations and Unalakleet for the next twenty-five years.
- The Board moved to revisit the Outside Entity Funding policy at its next meeting and make changes as needed.
- The Board adopted Corporate Resolution 09-04 regarding amendments to the Siu Alaska Corporation's Bylaws as proposed by the Siu Alaska Corporation Board of Directors.
- The Board approved the appointment of Paul Johnson to the Siu Alaska Corporation Board seat vacated by John Eckels when he accepted the position of Siu's chief executive officer.
- The Board adopted changes to the NSEDC Education Foundation Bylaws. Changes included the authorization of NSEDC staff to serve as corporate officers, if selected, as well as authorizing the NSEDC Corporate Secretary to sign off on the revised bylaws.
- The Board accepted the 2008 NSEDC Audit Report ending December 31, 2008 as presented by independent auditors Altman, Rogers, & Company.

III. Harvesting Report

A. CDQ Harvest Management

During the second quarter of 2009, NSEDC conducted directed fishing of pollock, Pacific cod, Atka mackerel, opilio crab, red king crab, and bairdi crab.

Pollock

The *F/V Alaska Ocean* (AO) and the *F/V Pacific Glacier* (PG) began the B season pollock fishery on June 10th, harvesting both CDQ and open access quota pollock. At the time of the CDQ manager's report to the Board, GFC vessels had harvested approximately 312 metric tons of B season pollock. NSEDC successfully transferred B season CDQ pollock and miscellaneous bycatch species to the Central Bering Sea Fisherman's Association for harvesting by vessels owned and managed by American Seafoods Company as determined in the Quota Exchange Agreement.

Pacific Cod

There was no direct harvest of CDQ cod in the Bering Sea Aleutian Islands during the second quarter.

The Pacific cod B season opened on June 10th. The *F/V Norton Sound* (NS) and *F/V Glacier Bay* (GB) began harvesting CDQ cod, alternating with the harvest of open access Greenland turbot in the Bering Sea, in early July. About 1,200 metric tons of CDQ cod was available for harvest by the GFC longliners at the time of the CDQ manager's reporting.

Atka Mackerel/Pacific Ocean Perch

The *F/V Seafreeze Alaska* (SFA), *F/V Alaska Knight* (a catcher vessel delivering to the SFA) and the *F/V Alaska Ocean* began directed CDQ harvesting operations primarily for Atka mackerel in the central and eastern Aleutian Islands areas late in the first quarter and continued sporadically until the end of April. During this period, the vessels harvested most of the CDQ mackerel quota in the eastern area, approximately 377 metric tons, and about 75 percent of the available quota, approximately 348 metric tons, in the central area. A small amount of POP was harvested along with the mackerel. The SFA is expected to resume fishing operations targeting CDQ mackerel and POP as early as August or in conjunction with the open B season in September.

Yellowfin Sole, Flathead Sole and Rock Sole

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

Greenland Turbot

There was no directed harvest of CDQ Greenland turbot in the second quarter.

Sablefish

There has been no reported harvest of CDQ sablefish in the second quarter.

NSEDC previously transferred 38 metric tons of Bering Sea sablefish CDQ to Yukon Delta Fisheries Development Association for harvest by the *F/V Lisa Marie*, and 75 metric tons of Aleutian Islands sablefish CDQ to Bristol Bay Economic Development Association for harvest by the *F/V Judi B*. Harvest reports

had not yet been received at the time of the CDQ manager's report although fishing from both vessels was underway.

Halibut

There was no harvest of halibut CDQ in Area 4D/E in the second quarter or year to date. The entire quota of 141,210 pounds is being made available for the local fisheries in the region.

Bering Sea Opilio Crab

The *F/V Baranof* completed the harvest of roughly half of the 325,000 pounds of CDQ opilio crab allocated by NSEDC. The 2009-2010 opilio fishery opens on October 15th but the actual harvest will probably not commence until January or February 2010.

Norton Sound Red King Crab

Local fishermen harvested approximately 12,000 pounds of CDQ red king crab in Norton Sound during the second quarter in conjunction with the open access fishery. The CDQ fishery will continue along with the open access fishery until closure. A total of 28,125 pounds of CDQ crab (both NSEDC and YDFA quota) was made available at the beginning of the season for harvest by the local fleet.

Bristol Bay Red King Crab

There was no harvest of CDQ Bristol Bay red king crab during the second quarter. The harvest of Bristol Bay red king crab in the 2009-2010 fishery will begin October 15th.

Eastern Aleutian Islands Golden King Crab

There was no harvest of CDQ EAI golden king crab in the second quarter. The *F/V Aleutian No.1* will commence harvesting operations for NSEDC golden king crab – also known as brown crab – quota in the 2009-2010 fishery beginning August 15th.

Bering Sea Bairdi Crab

NSEDC previously transferred various portions of the eastern and western bairdi crab CDQ to Coastal Villages Region Fund and Bristol Bay Economic Development Corporation for harvest by contracted vessels. Most of the eastern quota was harvested in the second quarter however the majority of the western quota was not harvested for a variety of reasons. The bairdi crab fishery opens October 15th though the majority of the harvest will not occur until late 2009 or early 2010.

B. IFQ Harvest Management

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

Sablefish

NSEDC-contracted vessels harvested 223,694 pounds of sablefish IFQ in the second quarter including 127,875 pounds of IFQ in the Central Gulf, 47,180 pounds of IFQ in the Western Gulf, and 48,639 pounds in the Aleutian Islands. Boats under the management of the Fishermen's Wild Alaska Seafood including the *F/V Silver Storm*, *F/V Current* and *F/V Provider* harvested 82,187 pounds in the Central Gulf while the *F/V Norton Sound* harvested the remainder in the Central Gulf, Western Gulf and AI. The remaining 11,063 pounds in the Central Gulf will be harvested in the third quarter.

Halibut

The *F/V Provider* harvested 23,491 pounds of IFQ halibut in Area 3B on behalf of NSEDC in the second quarter. The remaining 5,865 pounds will be harvested in the third quarter.

Bering Sea Opilio Crab

The *F/V Baranof* completed the harvest of roughly half of the 182,830 pounds of CPO share IFQ opilio crab allocated by NSEDC.

Bristol Bay Red King Crab

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

Eastern Aleutian Islands Golden King Crab

There was no harvest of IFQ golden king crab during the second quarter.

Bering Sea Bairdi Crab

The *F/V Seabrooke* harvested available eastern bairdi crab IFQ on behalf of NSEDC through the management of the Sea Boat Coop. Most of the eastern quota was harvested however the majority of the western quota was not harvested.

IV. Board of Directors 1st Quarter Meeting Minutes (Attachment 1)

V. Confidential Issues

A. Financial Statements

ATTACHMENT 1
NSEDG Board of Directors
First Quarter Meeting Minutes



FILE COPY

Serving the fisheries of the Bering Strait Region

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

Norton Sound Economic Development Corporation
First Quarter Board of Directors Meeting
Aaron Paneok & Myles Gonangnan Memorial Hall
Unalakleet, Alaska 99684
April 23 & 24, 2009
9:00 a.m.

CALL TO ORDER

Chairman Dan Harrelson called the NSEDCE 2009 First Quarter Board of Directors Meeting to order at 9:00 a.m. on April 23, 2009.

ROLL CALL

The roll call was taken. Mary Menadelook, Joel James, Truman Kava, Frank Oxereok, Reggie Barr, Joe Garnie, Don Stiles, Dan Harrelson, Dean Peterson, Charles Saccheus, Elvina Naranjo, Harvey Sookiayak, Frank Katchatag, Victor Joe, and Wilfred Katcheak were present. Staff present were: Janis Ivanoff, Simon Kinneen, Charlie Lean, Katie Peterson, Rich Ferry, Middy Johnson, Virginia Nashalook, Paul Ivanoff III, Rick Walicki, Dick Tremaine, Jacob Ivanoff, Kathy Wheelehan, Carol Charles, and Jerry Ivanoff. Public present were Rob Wood, Buck Adams, Randy Maes, Peter Brown, John Eckels, Ike Towarak, Harry Johnson Jr., Aurora Johnson, Frances Degnan, and Margaret Russell.

APPROVAL OF AGENDA

Chairman Dan Harrelson added personnel issues, to be covered in executive session, under item M. New Business. Under Other Business, Dan added Siu Alaska Corporation amended Bylaws and Articles and draft questions and answers.

Dean Peterson 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 approve the January 29 & 30, 2009 NSEDCE Board Meeting Minutes and the March 12, 2009 Special Board Meeting Minutes, as a block. Charlie Saccheus seconded the motion. The motion passed.

PUBLIC COMMENTS

Chairman Dan Harrelson thanked the people of Unalakleet for having NSEDCE.

Unalakleet Mayor William Johnson said they are happy to have NSEDCE here. He introduced Harry Johnson Jr. and Frances Degnan of the Unalakleet City Council.

"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"

Frances Degnan voiced her support of the board and their efforts stating that they are doing a fine job providing work and markets for our communities. She thanked the board for their work.

Harry Johnson Jr. welcomed the board to Unalakleet thanked them for their time and effort and said NSEDC improves the quality of life in our communities.

Aurora Johnson, who works for NSHC, thanked the board for their funding of the dental therapy program. Students throughout the region received toothpaste and tooth brushes. Dan Harrelson asked if the fluoride program was going to happen throughout the summer. Aurora said plenty of supplies were sent for the health aides to be able to provide it throughout the summer.

Janis Ivanoff pointed out the written public comments in the packet, from the City of Elim, Native Village of St. Michael, Tonia Osborne, Terry Peppers of Stebbins, Unalakleet, Jim and Julie Egli, Jim Adams, Dawn Salesky, Kawerak, Kristel Komakhuk, Tim Towarak, Teller Middle School, and Anvil City Science Academy of Nome.

PRESIDENT'S REPORT-Dan Harrelson

NSEDC Corporate President Dan Harrelson gave the President's report. Chairman Harrelson commended the staff for their travel throughout the region. He noted their visits will help build stronger relationships with our member communities. Don Stiles asked about the bycatch portion of his report and the NPFMC's decision on the Chinook bycatch.

CEO'S REPORT-Janis Ivanoff

Janis Ivanoff gave the NSEDC CEO's report. Don Stiles shared the comment from an elder in Nome who said an opening prayer should be on the agenda. For future reference, he would like to add a prayer in the agenda. Dan Harrelson asked if there were a lot of questions about Siu Alaska Corporation during the outreach meetings. Janis said there were some and a Siu Q & A pamphlet is being put together to send with the next newsletter.

FINANCIALS/INVESTMENT PORTFOLIO

Rick Walicki gave the NSEDC Financials/Investment Portfolio.

Clarence Towarak Jr. joined the meeting at 9:22 a.m.

We took a break at 9:29 a.m. The meeting reconvened at 9:37 a.m.

Frank Oxereok made a motion to go into executive session to go over the investment portfolio report, HMS Host Opportunity, and personnel issues at 9:38 a.m. Victor Joe seconded the motion. The motion passed.

Harvey Sookiayak made a motion to return to regular session at 10:47 a.m. Frank Oxereok seconded the motion. The motion passed.

We took a break at 10:48 a.m. The meeting reconvened at 10:54 a.m.

SIU ALASKA CORPORATION REPORT-John Eckels

John Eckels, the new CEO as of April 1, 2009, was given the floor for the Siu Alaska Corporation Report. The Siu Alaska Corporation Board has met several times and is moving in the right direction. Wilfred Katcheak asked about the employment opportunities on our vessels, after the transfer of all the hard assets. John Eckels stated that the employment opportunities are

in our contracts. Joe Garnie asked where his office is, which is in Anchorage. Dan Harrelson talked about the evolution of Siu Alaska Corporation, the monies going into Siu, and how much money will be made available to NSEDC with our CDQ and IFQ Revenues.

1. GFC Report

Rob Wood gave the Glacier Fish Company Report. He covered pollock prices and TAC, increased revenue from AO's quota and the annual audit. Dan Harrelson asked about the delay of the F/T Pacific Glacier. Rob stated that there is not a good answer, but the shipyard did not do what they said they would do. The plan is for the F/T Pacific Glacier to do a hake trip. Dan asked about employment opportunities for our seafood processors. Rob informed him the employment problem is across the board for all GFC's processors, as the F/T Northern Glacier will not be fishing for the rest of the year. He said the F/T Alaska Ocean does one month trips and the F/T Pacific and Northern Glacier do two week trips. Renee Julienne has come out of retirement to work with GFC and Cindy Thompson who works on crewing the vessels.

MANAGERS' REPORTS

1. CDQ Harvest Management-Simon Kinneen

Simon Kinneen gave the CDQ Harvest Management Report. Wilfred Katcheak asked about employment opportunities on the Aleutian No.1. Dick Tremaine said we had two deck hands and an intern on this vessel with a crew of seven, so it has been great. Joe Garnie asked about our ownership of the Aleutian No. 1. Dick said Siu owns half the boat, the skippers own 25 percent and BSWG is going to own the other 25 percent. With the forming of Siu, Joe thought that it was our tax shelter and we could retain 100 percent ownership of our crab operation. Dick informed him that Siu is required to own 50% of the boat. Dan noted the possibility for Siu to purchase our local crab, halibut, and salmon for possible tax breaks. Don Stiles asked Simon for an update on the CDQ Groups combined bulk fuel program. Simon stated that the other groups are interested in participating, but lately there has not been ample time to meet with the other CDQ Groups, each group is working on their own program. Don asked about possibly pooling together for lowering the cost of our insurance. Simon thought we could possibly get a better insurance plan by working together.

2. Southern and Northern NSSP

a. Middy Johnson

Middy Johnson gave the Southern NSSP Report. He covered the purchasing and sales plans, wages and housing for seasonal employees and provided a timeline for capital projects. There was discussion about Shadow Marketing, which was bought by Copper River Seafoods. They are over their credit limit and there was a question about the price of the roe changing after we sold it to them. Middy spoke to making actual contracts for the sale of our roe, so this does not happen again. There was praise for Middy's employment numbers and the good relationship he has with the fishermen. He will start hiring processors in mid-June of 2009. Wilfred Katcheak asked if we are going to pay a higher grounds price at the beginning of the season or in September. Middy said we will try to get the best price for our salmon.

b. Richard Ferry

Richard Ferry gave the Northern NSSP Report. They discussed the need for qualified personnel to do more halibut fillets. Rich said the Rocky has been working with several seasonal workers. Don Stiles asked about the delivery and sales of the winter crab operation. Rich informed him that we have three winter crabbers in Nome. Harvey asked about the possibility of fishermen

delivering closer to home. Chairman Harrelson asked if both plants were up and ready for the 2009 season.

We took lunch break at 12:00 p.m. The meeting reconvened at 12:33 p.m.

Chairman Harrelson noted the written reports in the packets.

3. Written Reports

a. Community Benefits Department-Tiffany Martinson

Paul Ivanoff III clarified the proposal with UVEC and NSEDC on a wind turbine project. UVEC and NSEDC staff have been working to purchase one or two extra turbines, with a credit for Southern NSSP in exchange for our assistance. The credit to NSSP is based on the fuel price and the amount of electricity generated by the wind turbines. In 2009 electricity for NSSP may cost up to \$130,000.00. The life of the wind turbines will be 25 years. There was lengthy discussion about the amount and cost of maintenance. Ike said UVEC would be responsible for the maintenance. The board recognized the benefit this project would provide NSSP and the community but they worried about where the money would come from and how to provide similar benefits to the other communities.

Don Stiles made a motion, noting the credit savings, to move forward with this wind turbine project to benefit one of our member communities and our operational savings for Southern NSSP over twenty five years, which is a step in the right direction. Frank Katchatag seconded the motion.

Chairman Harrelson asked where these funds would come from. Janis Ivanoff said it would come from savings. Wilfred Katcheak asked how many gallons of heating fuel would be saved. Ike said it would be about 200,000 gallons. Several board members expressed the need to make sure each community is given the opportunity to receive similar benefits and there was discussion about how to make that happen. There were suggestions to put this on the next agenda and to hire an additional staff member that could help communities seek and request funding for alternative energy.

Chairman Harrelson offered a friendly amendment from \$1.3 million to \$1 million to make things more equal.

A roll call vote was taken with thirteen voting yes with abstentions from Elvina Naranjo and Joel James. The motion passed.

b. EET Department-Jerry Ivanoff

Chairman Harrelson complimented Jerry for his work.

c. HR Department-Camille Cruz

There was no discussion.

d. NSFR&D-Charlie Lean

There was no discussion.

We took a break at 1:29 p.m. The meeting reconvened at 1:39 p.m.

COMMITTEE REPORTS

1. Rules & Bylaws Committee Report

Chairman Stiles gave the NSEDC Rules & Bylaws Committee Report. For the record, Elvina Naranjo was at the scholarship committee. There was a time conflict with the Rules & Bylaws committee.

Harvey Sookiyak made a motion to approve the NSEDC Rules & Bylaws Committee Report with all its recommendations. Don Stiles seconded the motion.

Charlie Lean asked about donating leave to another employee. Janis stated that we have done this in the past.

The motion passed.

2. Scholarship Committee Report

Chairman Joe gave the NSEDC Scholarship Committee Report. Dean Peterson stated he received a request from his high school students for the EET Coordinator to travel to our member communities to address our students. Janis stated that we are planning to go into our member communities' schools to inform them of NSEDC. Harvey Sookiyak recommended leaving the initials out of the report for the future.

3. NSSP Working Group Report

Chairman Garnie gave the NSSP Working Group Report.

4. Fisheries Development Committee Report

Charlie Lean gave the NSEDC Fisheries Development Committee Report.

Frank Katchatag has about damage done on rented gear for the marine clean-up. Dan Harrelson noted that the motor they used in White Mountain was already broken or run down. He cautioned staff to be aware of the condition of the equipment they are renting. Victor Joe asked about the clean up in St. Michael.

Jerry Ivanoff voiced his dismay that subsistence Chinook Fishing may be curtailed in 2009, while sport fishing is continued. Joe Garnie recommended board members attend the NPFMC Meetings, to give our outlook at these meetings. Simon said the NPFMC meets five times a year. The next one is scheduled for October. Chairman Harrelson stated that we could set it up for board members to attend these meetings.

Frank Oxereok Jr. made a motion to approve the NSEDC Fisheries Development Committee Report with all its recommendations. Wilfred Katcheak seconded the motion. The motion passed.

5. Executive Committee Report

Chairman Harrelson gave the NSEDC Executive Committee Report.

Don Stiles made a motion to adopt the NSEDC Executive Committee Report with its recommendation. Frank Katchatag seconded the motion.

Dan Harrelson clarified the IFQ Purchase of opilio and bairdi crab. Dan felt that the IFQ should stay with NSEDC and not Siu, for tax purposes. Janis was given an opportunity to explain the

outside entity funding program. The outside entity funding would go to each of our communities equally.

The motion passed.

6. Finance Committee Report

Chairman Harrelson gave the NSEDC Finance Committee Report.

Wilfred Katcheak noted that the revolving loan program interest is at zero percent, but fishermen still need to come up with 20 Percent.

Harvey Sookiayak made a motion to approve the NSEDC Finance Committee Report with all its recommendations.

Janis clarified the reasoning for the increase of the revolving loan amount.

Don Stiles seconded the motion. The motion passed.

We took a break at 2:45 p.m. The meeting reconvened at 2:55 p.m.

OLD BUSINESS

1. NSEDC Education Foundation

Chairman Harrelson said Janis, Katie, and Margaret have worked with the Foundation board to go through the bylaws of the NSEDC Education Foundation and made the recommended changes. Katie went over a short list of the proposed changes to the bylaws that were handed out to the Board. Don Stiles asked if the Foundation's President, Secretary, and Treasurer would be someone other than Foundation board members. The bylaws require that they are separate. Joe Garnie asked for confirmation that the Executive Director would be the Foundation President. They bylaws state that the Executive Director shall be the president. Joe asked if compensation for the Executive Director and their location have been decided. Compensation and location will be up to the Foundation board. Katie added that the Foundation does not want to appoint a Director until the NSEDC board is comfortable with the bylaws. One question the Foundation would like to clarify is if NSEDC staff can serve as corporate officers. Don Stiles asked if NSEDC staff serving as corporate officers would link NSEDC and the Foundation too much, he worries about the "arms length" needed between the two. Margaret stressed they would serve on a temporary basis until the Foundation has its own staff.

Don Stiles made a motion to approve the bylaws with all its changes, authorized staff to serve as corporate officers, if selected, and the NSEDC Corporate Secretary to sign off on the revised bylaws. Wilfred Katcheak seconded the motion.

Joe Garnie asked about the composition of the NSEDC Education Foundation and terms served.

The motion passed unanimously.

2. Chinook Bycatch

Simon Kinneen gave an overview of the NPFMC Final Action on the Chinook Bycatch. Charlie Lean gave a report on the problem of the environmental impact statement, with Norton Sound Chinook Salmon being lumped in with AYK Salmon. Charlie provided the board with the level of Chinook Salmon savings for Norton Sound with the different hard cap levels. Sixty Chinook

saved with a hard cap of 30,000 and ninety Chinook with a hard cap of 60,000. Joe Garnie asked if we are still staying with the hard cap of 47,000, while all our regional entities were pushing a hard cap of 30,000. Joe still urged that our NSEDC Board Members be allowed to attend the North Pacific Fisheries Management Council Meetings. Charlie stated that we need to protect our subsistence users.

NEW BUSINESS

1. HMSHOST-Partnership Opportunity

This was already covered in executive session earlier.

Don Stiles made a motion to allow staff to move forward with the HMS Host-Partnership Proposal. Harvey Sookiayak seconded the motion. The motion passed.

2. Personnel Issues

Personnel issues were covered in the earlier executive session.

OTHER BUSINESS

1. SIU Alaska Corporation

a. Vacant non-affiliated seat

John Eckels stepped down from the Siu Alaska Corporation Board to serve as their Executive Director. Several options, for filling the seat, were provided. Wilfred Katcheak asked how long this board member would serve. Janis said the new board member would serve until November of 2009. Frank Katchatag voiced his support for advertising throughout the region for interest to serve. Don Stiles felt that we should make this selection now, as we have a lot of business to conduct. By a show of hands, the NSEDC Board of Directors went with option one provided. Elvina Naranjo noted that Ben Rowe turned down this opportunity, so, by the process of elimination, the only alternate would be Paul Johnson. A secret ballot vote was taken for the vacant non-affiliated seat with eight votes for Paul Johnson and seven votes for Ben Rowe.

Elvina Naranjo made a motion to seat Paul Johnson on the SIU Alaska Corporation Board. Victor Joe seconded the motion. The motion passed.

b. Siu Alaska Corporation Amended Bylaws and Articles

Janis went over the Siu Alaska Corporation Amended Bylaws and Articles. The NSEDC Board has the power to amend the bylaws. Don Stiles noted that the full Siu Board requested the change to amend the bylaws.

Don Stiles made a motion to adopt the NSEDC Resolution #09-05 as presented. Reggie Barr seconded the motion. The motion passed unanimously.

c. Draft Questions and Answers

The board reviewed the proposed changes to the bylaws and articles. Don noted that the administrative duties of the corporation will be turned over to John Eckels. Joe Garnie asked if they could participate in the Siu Alaska Corporation Board Meetings, which are open to shareholders and advertised. Elvina Naranjo said they will get feedback from our member communities on Siu Alaska Corporation.

Wilfred Katcheak made a motion to approve the Siu Alaska Corporation Bylaws, as presented. Harvey Sookiayak seconded the motion. The motion passed.

PUBLIC COMMENTS

Paul Fred Ivanoff thanked the board for making his dreams come true with the purchase of his boat and thanked the board for all the work they have done.

Harry Johnson Jr. thanked the board and staff for holding this meeting in Unalakleet, hoping all felt welcome.

BOARD COMMENTS

Harvey Sookiayak thanked Unalakleet for their hospitality and was glad that we still have people who appreciate what we do.

Charlie Saccheus thanked Unalakleet for their warm hospitality and thanked Jerry for his hospitality. He would be happy to have the next meeting in Unalakleet, so they could tour the plant.

Mary Menadelook thanked Unalakleet people for their hospitality.

Frank Oxereok thanked Unalakleet to have the meeting here and thanked staff.

Victor Joe thanked Unalakleet for their welcome.

Frank Katchatag noted that Unalakleet would thank the full board and congratulated John for his position.

Wilfred Katcheak had no comment.

Reggie Barr thanked Unalakleet for their hospitality and Jerry for the caribou.

Truman Kava thanked Unalakleet for their hospitality and Jerry for guiding his trout fishing trip.

Elvina Naranjo thanked Unalakleet for their hospitality.

Joe Garnie was thankful for Unalakleet's hospitality and Jr. Johnson for putting him up. He thanked staff for all their hard work and thanked staff for doing the community outreach meetings.

Joel James thanked Unalakleet for their hospitality.

Don Stiles thanked the board for taking a big first step to combat our energy problem with the approval of the wind turbine project. He thanked staff for their effort with the community outreach meetings, which will give us direction in the future.

Dean Peterson thanked staff for their work and the positive work of our board.

Dan Harrelson noted how many boats and nets are in people's yards and how many people are involved in commercial fishing, which is a good reminder why we are serving. This was an eye opener for all. He thanked Unalakleet for their hospitality and thanked staff for all their hard work. Dan thanked the board for their support.

Janis thanked the board for their support of staff. She thanked Unalakleet for having us here.

The time and date of the next board meeting will be the week of July 27, 2009. Elvina Naranjo recommended the meeting happen in mid-July, so she could get her salmon berries. Chairman Harrelson confirmed that the July meeting will happen in Nome.

ADJOURNMENT

Frank Oxereok Jr. made a motion to adjourn the NSEDC 2009 First Quarter Board Meeting at 4:03 p.m. on April 23, 2009. Elvina Naranjo seconded the motion. The motion passed.

Dan Harrelson, NSEDC Board Chairman

Jerry Ivanoff, NSEDC Corporate Secretary

Date