

2009 FOURTH QUARTER REPORT

October 1 – December 31, 2009



NORTON SOUND ECONOMIC DEVELOPMENT CORPORATION

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I. Quarterly Highlights

- The NSEDC Board of Directors held its 2009 third quarter meetings in Unalakleet, Alaska November 3-6, 2009.
- Scholarships totaling \$20,000 were awarded to ten residents.
- Twenty residents of NSEDC member communities and other Alaska communities worked on the *F/V Pacific Glacier*, *F/V Alaska Ocean*, *F/V Norton Sound*, and the *F/V Glacier Bay* earning a total of \$91,633 in wages.
- Eight Norton Sound residents completed the Fisheries Safety Orientation Class at AVTEC in Seward, October 11-21, 2009.
- Eight Koyuk residents participated in the Koyuk Qayuutaq (spoon making) Class sponsored by NSEDC.
- One resident from Gambell participated in an NSEDC sponsored driver's education "Behind the Wheel" course.
- Two residents participated in the Hazard Analysis Critical Control Point Training held in Nome.
- NSEDC distributed a newsletter to all member community box holders in October.
- Nine fishermen from Nome delivered 25,383 pounds of NSEDC CDQ halibut to NSSP, receiving an ex-vessel total of \$71,017 for their harvest.
- Two fishermen from Nome delivered 1,288 pounds of cod to NSSP, receiving an ex-vessel total of \$1,847 for their harvest.
- The NSEDC Board of Directors held a special meeting in Anchorage, Alaska December 1-2, 2009.
- The NSEDC Board of Directors held a special meeting via teleconference on December 15, 2009.
- Hannah Sookiayak was hired as an Accounts Payable Clerk. Hannah will be working in the NSEDC Accounting office in Anchorage.
- Roy Ashenfelter transferred from CDQ Harvest Manager to a Community Development Coordinator position in December. Roy continues to work out of the NSEDC offices in Nome.
- NSEDC community representative elections were held in Elim, Nome, Savoonga, Teller, and St. Michael. Oscar Takak was elected to represent Elim. Re-elected representatives were Don Stiles, Truman Kava, Joe Garnie, and Victor Joe for Nome, Savoonga, Teller, and St. Michael, respectively.

A. Outreach

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

- NSEDC Board of Directors held its 2009 third quarter meetings in Unalakleet, Alaska November 3-6, 2009; these meetings were open to the public.
- NSEDC Board of Directors notified residents of the 2009 third quarter meetings by placing an ad in The Nome Nugget.
- NSEDC placed three newspaper advertisements during the quarter.
- NSEDC staff attended the ADF&G Commercial Fisheries fall staff meeting.
- NSEDC staff attended multiple Northern and Southern Norton Sound Advisory Committee meetings.
- NSEDC staff attended the North Pacific Fisheries Management Council (NPFMC) meetings held in December at the Hilton Hotel in Anchorage.
- NSEDC staff attended a Board of Game meeting.
- NSEDC staff participated in the Nome Mass Casualty Drill.
- NSEDC staff attended meetings with ADF&F, BLM, and the Unalakleet IRA to discuss the Unalakleet Salmon Weir project.
- 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 Benefits Director 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
December 31, 2009

	Q1		Q2		Q3		Q4		Year-to-Date
	People	Wages	People	Wages	People	Wages	People	Wages	
Management/Administrative									
NSEDG	12	\$ 159,427.30	11	\$ 197,681.39	13	\$ 211,433.37	10	\$ 192,370.68	\$ 760,912.74
NSSP	5	\$ 72,527.84	6	\$ 59,181.51	14	\$ 140,324.63	8	\$ 52,171.41	\$ 324,205.39
Total Management/Administrative	17	\$ 231,955.14	17	\$ 256,862.90	27	\$ 351,758.00	18	\$ 244,542.09	\$ 1,085,118.13
CDQ Pollock Related									
A/B Season	13	\$ 93,468.99	20	\$ 122,042.87	28	\$ 246,466.96	17	\$ 81,033.56	\$ 543,012.38
C/D Season	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Total Pollock Related	13	\$ 93,468.99	20	\$ 122,042.87	28	\$ 246,466.96	17	\$ 81,033.56	\$ 543,012.38
Total NSSP Employment	2	\$ 708.76	56	\$ 81,015.67	166	\$ 438,584.68	119	\$ 66,580.69	\$ 586,889.80
Other NSEDG Employment									
Skippers, Deckhands, Shoreside, etc.	0	\$ -	15	\$ 35,090.00	29	\$ 394,486.78	26	\$ 107,678.05	\$ 537,254.83
Total Other NSEDG Empl.	0	\$ -	15	\$ 35,090.00	29	\$ 394,486.78	26	\$ 107,678.05	\$ 537,254.83
Other Fishing									
GFC - Longline	2	\$ 16,939.24	2	\$ 12,909.80	1	\$ 3,253.10	3	\$ 10,599.74	\$ 43,701.88
Aleutian No. 1	0	\$ -	0	\$ -	2	\$ 12,785.00	0	\$ -	\$ 12,785.00
O/A Norton Sound Winter Red King Crab	5	\$ 20,073.00	3	\$ 5,271.00	0	\$ -	0	\$ -	\$ 25,344.00
O/A Norton Sound Red King Crab	0	\$ -	0	\$ -	23	\$ 1,007,292.05	0	\$ -	\$ 1,007,292.05
CDQ Red King Crab	0	\$ -	0	\$ -	4	\$ 50,706.29	0	\$ -	\$ 50,706.29
Norton Sound Salmon	0	\$ -	0	\$ -	88	\$ 1,024,997.94	0	\$ -	\$ 1,024,997.94
Norton Sound Herring	0	\$ -	6	\$ 16,055.10	0	\$ -	0	\$ -	\$ 16,055.10
NSEDG CDQ Halibut	0	\$ -	0	\$ -	21	\$ 375,485.65	9	\$ 71,017.44	\$ 446,503.09
Total Other Fishing	7	\$ 37,012.24	11	\$ 34,235.90	139	\$ 2,474,520.03	12	\$ 81,617.18	\$ 2,627,385.35
NSEDG Community Outreach Liaisons	13	\$ 19,500.00	13	\$ 19,500.00	13	\$ 19,500.00	13	\$ 19,500.00	\$ 78,000.00
Interns									
NSEDG Administration	0	\$ -	2	\$ 1,822.33	3	\$ 15,103.68	2	\$ 650.00	\$ 17,576.01
NSEDG Salmon Rehab.	0	\$ -	10	\$ 27,178.14	5	\$ 42,113.27	1	\$ 4,286.54	\$ 73,577.95
Alaska Dept. of Fish & Game	0	\$ -	2	\$ 4,309.09	2	\$ 18,410.17	0	\$ -	\$ 22,719.26
Fisheries Development	0	\$ -	3	\$ 4,558.12	79	\$ 434,809.84	11	\$ 4,248.31	\$ 443,616.27
Total Interns	0	\$ -	17	\$ 37,867.68	89	\$ 510,436.96	14	\$ 9,184.85	\$ 557,489.49
GRAND TOTALS	52	\$ 363,145.13	149	\$ 586,615.02	491	\$ 4,435,753.41	219	\$ 610,136.42	\$ 6,015,149.98
NSEDG =	25	\$ 178,927.30	56	\$ 290,139.07	144	\$ 1,135,857.11	63	\$ 328,733.58	\$ 1,933,657.06
NSSP =	12	\$ 93,309.60	71	\$ 161,523.28	316	\$ 3,037,391.24	136	\$ 189,769.54	\$ 3,481,993.66
Partners =	15	\$ 110,408.23	22	\$ 134,952.67	31	\$ 262,505.06	20	\$ 91,633.30	\$ 599,499.26

Employment Summary

Management/Administrative – Eighteen employees were employed by NSEDC/NSSP at various offices in the region, with thirteen employees located in the administrative offices in Anchorage during the quarter.

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

Community Breakdown:

- 7 employees from Unalakleet
- 1 employee from Anchorage
- 1 employee from Brevig Mission
- 1 employee from Eagle River
- 1 employee from Kaltag
- 1 employee from Kotlik
- 1 employee from Nome
- 1 employee from Teller
- 1 employee from Shaktoolik
- 1 employee from Shishmaref
- 1 employee from St. Michael

NSSP Employment – One hundred nineteen residents were employed during the fourth quarter.

Community Breakdown:

- 68 employees from Unalakleet
- 23 employees from Nome
- 9 employees from Elim
- 5 employees from Savoonga
- 4 employees from Shaktoolik
- 4 employees from Stebbins
- 2 employees from Anchorage
- 1 employee from Gambell
- 1 employee from Koyuk
- 1 employee from Tanacross
- 1 employee from Marysville, WA

Other NSEDC Employment – There were twenty-six other NSEDC employees in the fourth quarter.

Community Breakdown: 6 employees from Unalakleet
5 employees from Nome
5 employees from Shaktoolik
3 employees from Golovin
2 employees from Elim
2 employees from Savoonga
1 employee from St. Michael
1 employee from White Mountain
1 employee from Belfair, WA

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

Two residents were employed aboard the *F/V Glacier Bay* during the quarter.

Community Breakdown: 1 employee from Shishmaref
1 employee from Elim

Nine fishermen delivered 25,383 pounds of NSEDC CDQ Halibut to NSSP during the quarter.

Community Breakdown: 9 fishermen from Nome

Two fishermen delivered 1,288 pounds of cod to NSSP during the quarter.

Community Breakdown: 2 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 Diomed
1 liaison from Savoonga
1 liaison from Gambell
1 liaison from Elim
1 liaison from Golovin

Interns – There were fourteen internship positions sponsored by NSEDC during the fourth quarter.

Community Breakdown: 5 interns from Unalakleet
3 interns from Gambell
3 interns from Diomede
2 interns from Nome
1 intern from St. Michael

Training Data Form

Table 2
TRAINING DATA FORM
October 1 through December 31, 2009

	Quarter		Year-to-Date	
	People	Expenditures	People	Expenditures
Scholarships				
Post-Secondary	3	\$6,000.00	273	\$516,169.00
Vocational	7	\$14,000.00	52	\$106,000.00
Voc-Tech				
Basic	0	\$0.00	0	\$0.00
Advanced	0	\$0.00	0	\$0.00
Other Training				
Fisheries Related	10	\$36,290.35	11	\$37,296.35
CDQ Staff	0	\$0.00	0	\$0.00
CDQ Board	0	\$0.00	0	\$0.00
Other	9	\$5,573.20	65	\$26,727.36
TOTAL	29	\$61,863.55	401	\$686,192.71

Training Summary

Ten students received funding for post-secondary and vocational education in the fourth quarter. Two residents participated in a hazardous analysis and critical control point training in Nome during the quarter. Eight residents completed the NSEDC Fisheries Safety Orientation Class held in Seward in October. One resident participated in Gambell's "Behind the Wheel" driver's education course. Eight residents participated in a spoon making class in Koyuk during the quarter.

II. Administration

A. Board Activities

Board of Director Meetings

The NSEDC Board of Directors held its 2009 third quarter meetings in Unalakleet, Alaska November 3-6, 2009.

The NSEDC Board of Directors held a special meeting at the Westmark Hotel in Anchorage, Alaska December 1-2, 2009.

The NSEDC Board of Directors held an annual training at the Doubletree Hotel in Seattle, Washington December 3-4, 2009.

The NSEDC Board of Directors held a special meeting via teleconference December 15, 2009.

Substantial Decisions

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

- The Board adopted Corporate Resolution 09-08, amending the bylaws in order to clarify the definition of the word “fishermen” with regard to member representative qualifications. The amendment defines a “resident fisherman” as an individual with recent (within ten years prior to the election), documented commercial or subsistence fishing activity who is a registered voter residing within the state precinct boundaries encompassing the member community, where he/she maintains a mailing address and permanent domicile in the member community and is eligible to receive an Alaska Permanent Fund dividend. In terms of this provision ‘documented,’ as it pertains to fishing activity, means that the activity is evidenced by a permit, license, or other documentation required for such fishing under state or federal regulations; or if no such documentation was required, other credible evidence of fishing activity, including a third-party affidavit, satisfactory to NSEDC staff, or satisfactory to the Residency Appeals Committee in the event the evidence is challenged by a third party.
- The Board declared the 2009 Community Benefit Share amount of \$100,000 per NSEDC member community.
- The Board adopted Corporate Resolution 09-09, approving the written 2008 NSEDC Statement of Compliance required by section 305(i)(1)(E)(iv) of the Magnuson-Stevens Fishery Conservation Management Act (MSA).

- The Board adopted Corporate Resolution 09-10, restating the qualified retirement plan Norton Sound 401(k) Plan and naming Janis Ivanoff and Simon Kinneen as trustees of the plan.

III. Harvesting Report

A. CDQ Harvest Management

During the fourth quarter of 2009, NSEDC conducted a number of CDQ fishing activities including the directed harvest of Pacific cod, Atka mackerel/Pacific Ocean Perch, Arrowtooth flounder/Greenland turbot, sablefish, halibut, and East Aleutian Islands golden king crab.

Pollock

There was no directed fishery for CDQ pollock during the quarter. In 2009, Glacier Fish Company vessels – the *F/V Alaska Ocean*, the *F/V Northern Glacier*, and the *F/V Pacific Glacier* – harvested a total of 17,889 metric tons of pollock on behalf of NSEDC. About 41 metric tons of NSEDC pollock was not harvested.

Pacific Cod

The *F/V Norton Sound (NS)* and *F/V Glacier Bay (GB)* resumed the directed fishery for CDQ Pacific cod in the B season starting November 16 and ending December 4, taking roughly 575 metric tons of cod. The *NS* and *GB* were unable to complete the directed CDQ cod fishery; as a result NSEDC transferred 105 metric tons of CDQ cod to Aleutian Pribilof Island Community Development Association (APICDA) for their vessel, the *F/V Bering Prowler*, to harvest on NSEDC's behalf.

The *NS* and *GB* together harvested another 37 metric tons of CDQ cod at the end of December prior to the start of the 2010 open access A season. For 2009, NSEDC harvested roughly a total of 3,115 metric tons of CDQ cod in directed fisheries. Only 10 metric tons of CDQ cod went unharvested for the year in both the directed fisheries and as bycatch in other CDQ fisheries.

Atka Mackerel/Pacific Ocean Perch

The *F/V Seafreeze Alaska (SFA)* and the catcher vessel *F/V Alaska Knight (AK)* continued directed fishing operations for Atka mackerel and Pacific Ocean Perch in the Aleutian Islands during the quarter. The vessels together harvested about 203 metric tons of CDQ mackerel and 163 metric tons of CDQ POP.

For the year, USS vessels harvested about 1,197 metric tons of CDQ mackerel and 230 metric tons of CDQ POP in the Aleutian Islands management areas. NSEDC's quota was entirely harvested along with the majority of APICDA's quota previously transferred to NSEDC.

Yellowfin Sole, Flathead Sole and Rock Sole

There was no directed fishery for CDQ yellowfin sole, flathead sole or rock sole during the fourth quarter or for 2009 as a whole.

Arrowtooth Flounder/Greenland Turbot

The *F/V Ocean Alaska (OA)* continued directed trawl fishing operations for Arrowtooth flounder and Greenland turbot during the quarter, harvesting another 308 metric tons and 28 metric tons, respectively. In total for 2009, the *OA* harvested 532 metric tons of Arrowtooth flounder and 43 metric tons of Greenland turbot with minimal bycatch of other CDQ species and PSQ.

Sablefish

Directed fisheries for CDQ sablefish in both the Bering Sea and Aleutian Islands continued during the quarter. In total during 2009, the *F/V Judi B* and other vessels other contract to Bristol Bay Economic Development Corporation (BBEDC) and managed by Leader Fisheries, harvested the entire NSEDC quota of 75 metric tons allotted to BBEDC in the Aleutian Islands.

In the Bering Sea in 2009, the *F/V Lisa Marie* and other vessels under contract to Yukon Delta Fisheries Development Association (YDFDA) struggled to harvest the NSEDC quota that was transferred to YDFDA. Only 10.5 metric tons of the 38 metric tons of sablefish quota transferred to YDFDA was harvested.

Halibut

The local halibut fishing fleet based out of Nome harvested 22,810 pounds of CDQ halibut in Area 4D/E during the quarter.

NSEDC also entered into harvesting agreements with the *F/V Shemya* and the *F/V Saint Paul* – a hook and line vessel owned and managed by Central Bering Sea Fishermen's Association (CBSFA) – to harvest the remaining halibut quota in 4D. The *F/V Shemya* harvested 31,528 pounds of halibut and the *F/V Saint Paul* harvested 34,273 pounds of halibut on behalf of NSEDC during the quarter.

The original quota allocated to NSEDC was 141,210 pounds. NSEDC received transfers of CDQ halibut in Area 4E from BBEDC, netting NSEDC an additional 79,294 pounds of quota and thus providing 220,504 pounds of CDQ halibut for the year to NSEDC.

In total for 2009, the local fishing fleet in the region harvested 144,606 pounds of CDQ halibut, while contract vessels harvested another 65,801 pounds. Only 11,415 pounds of halibut quota went unharvested for the year.

Bering Sea Opilio Crab

There was no harvest of CDQ opilio crab during the quarter. The opilio fishery opens on October 15 but the harvest will most likely commence in January or February 2010. The NSEDC Allocation of CDQ opilio for the 2009/10 season is approximately 864,306 pounds – about an 18 percent reduction from last year.

Norton Sound Red King Crab

There was no harvest of CDQ red king crab in Norton Sound during the quarter. The local fleet harvested the entire quota of 28,125 pounds (both NSEDC and YDFDA quota) during the second quarter.

Bristol Bay Red King Crab

There was no harvest of CDQ Bristol Bay red king crab during the quarter. This red king crab fishery opens October 15 and harvest will commence immediately. NSEDC has contracted with the Sea Boats LLC owned by Coastal Villages Region Fund (CVRF) to harvest the entire quota on NSEDC's behalf. In order to facilitate the harvest, NSEDC will transfer the quota to CVRF. The NSEDC allocation of CDQ red king crab for 2009/10 is 288,162 pounds – a 21 percent reduction from last year.

Eastern Aleutian Islands Golden King Crab

The *F/V Aleutian No. 1* harvested 22,000 pounds of CDQ golden king crab (brown crab) on the second trip during the quarter. This CDQ crab was harvested along with IFQ crab. The CDQ crab was delivered on September 22 to Westward Seafoods for processing and sales by the Crab Broker.

St. Matthew Blue King Crab

There was no harvest of CDQ St. Matthew blue king crab during the quarter however the fishery has been opened for the first time in ten years. The NSEDC allocation is 16,338 pounds.

Bering Sea Bairdi Crab

There was no harvest of CDQ bairdi crab during the quarter. The bairdi crab fishery also opens on October 15 but will really get underway until later in the year or early 2010. The western portion of the bairdi fishery has been closed this year and no quota was issued. The eastern portion of the NSEDC allocation for 2009/10 is 24,300 pounds – a 51 percent reduction from last year.

B. IFQ Harvest Management

During the fourth quarter, NSEDC managed fishing operation and harvest of individual fishing quotas (IFQs) in the sablefish, Bristol Bay red king crab, and Eastern Aleutian Islands golden king crab fisheries.

Sablefish

The remaining IFQ sablefish quota was harvested during the quarter and the fishery was successfully completed. For the year, the *F/V Norton Sound* and vessels under contract harvested most of the quota in the Aleutian Islands, central gulf and western gulf. A small amount of quota remained in the Aleutian Islands and the entire Bering Sea quota (1,861 pounds) went unharvested.

Halibut

There was no harvest of IFQ halibut during the quarter. For the year, vessels under contract harvested the entire quota of halibut in area 3B on behalf of NSEDC.

Bering Sea Opilio Crab

There was no harvest of IFQ opilio crab during the quarter. For the year, the *F/V Aleutian No. 1* and the *F/V Baranof* harvested the entire quote of IFQ opilio crab for the 2008-2009 fishery for NSEDC during the first quarter.

Bristol Bay Red King Crab

The Sea Boats LLC, owned and managed by CVRF, harvested the entire quota of IFQ red king crab for the 2009-10 fishery (65,083 pounds) on behalf of NSEDC during the fourth quarter.

Eastern Aleutian Islands Golden King Crab

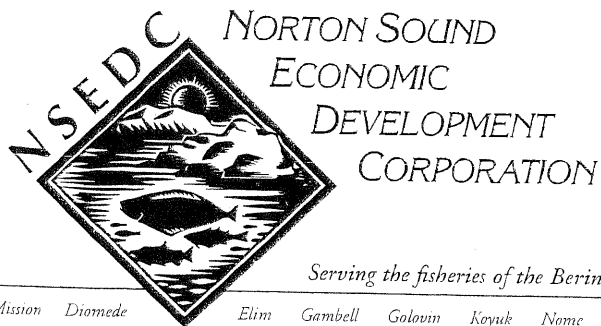
The *F/V Aleutian No. 1* harvested the remaining amount of IFQ golden king crab (brown crab) for the 2009-10 fishery during the quarter. The A share IFQ crab was delivered to UniSea Inc. in Dutch Harbor for processing under a share agreement with the Royal Aleutian Seafoods IPQ. The B share IFQ was delivered to Westward Seafoods along with the CDQ under a separate agreement. The *F/V Aleutian No. 1* harvested the entire NSEDC quota of brown crab, 550,000 pounds, for the 2009-10 fishery.

Bering Sea Bairdi Crab

There was no harvest of IFQ bairdi crab during the quarter.

- IV. **Board of Directors Third Quarter Meeting Minutes (Attachment 1)**
 Board of Directors Special Meeting Minutes, September 11, 2009 (Attachment 2)
 Board of Directors Special Meeting Minutes, December 1-2, 2009 (Attachment 3)
 Board of Directors Special Meeting Minutes, December 15, 2009 (Attachment 4)
- V. **Confidential Issues**
 - A. **Financial Statements**

ATTACHMENT 1
NSEDG Board of Directors
Third Quarter Meeting Minutes
November 4-6, 2009



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
Third Quarter Board of Directors Meeting
Aaron Paneok & Myles Gonangnan Memorial Hall
Unalakleet, Alaska 99684
November 4, 5 & 6, 2009 1:00 p.m.

CALL TO ORDER

Chairman Dan Harrelson called the NSEDC 2009 Third Quarter Board Meeting to order at 1:04 p.m. on November 4, 2009 and thanked the Unalakleet Community for their warm reception.

ROLL CALL

Present were: Dan Harrelson, Don Stiles, Dean Peterson, Joel James, Harvey Sookiayak, Joe Garnie, Reggie Barr, Frank Oxereok, Frank Katchatag, Elvina Naranjo, Wilfred Katcheak, Victor Joe, and Oscar Takak Sr. Absent was Mary Menadelook. Absent and excused was Truman Kava. Staff present: Janis Ivanoff, Simon Kinneen, Rick Walicki, Charlie Lean, Kevin Keith, Wes Jones, Roy Ashenfelter, Virginia Nashalook, Rich Ferry, Middy Johnson, Paul Ivanoff III, Jacob Ivanoff, Kathy Wheelehan, and Jerry Ivanoff. Public present: Laurie McNicholas of the *Nome Nugget*, Margaret Russell, John Eckels of Siu Alaska Corporation, Oscar Takak, Steve Ivanoff, and Paul Johnson.

INVOCATION

Harvey Sookiayak gave the invocation.

APPROVAL OF AGENDA

The 2009 Community Benefit Share and Annual Statement of Compliance were added under new business. SNSAC was added and placed under Other Business. Wales Representative will be held in executive session.

Don Stiles made a motion to approve the agenda, as amended. Frank Oxereok Jr. seconded the motion. The motion passed.

APPROVAL OF MINUTES

Harvey Sookiayak made a motion to approve the NSEDC Board Meeting Minutes of July 30 & 31 and September 11, 2009, as a block. Elvina Naranjo seconded the motion. The motion passed.

PUBLIC COMMENTS

Mayor William Johnson welcomed the board to Unalakleet voicing his appreciation for all the work that we do and for the Community Benefit Share.

"NSEDC 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."

Paul Johnson welcomed the board to Unalakleet and thanked the board for their vote of confidence with his seat on the Siu Alaska Corporation Board. Paul noted how much our company has grown and suggested the board discuss holding more of their meeting in private.

Chairman Harrelson noted a written comment, which will be presented after the Northern Norton Sound Seafood Products Report.

Janis Ivanoff noted the written public comments from Gambell, Native Village of White Mountain, Teller Traditional Council, Nome community Center, Nome Food Bank, City of Nome, ANTHC, Lauren Steiger, and AMCC provided in the board's packet.

Paul Ivanoff III, as a UNC Board Member, was excited to see NSEDC come to our community. He noted the economic impact, which is very positive.

PRESIDENT'S REPORT-Dan Harrelson

President Harrelson provided the board with his written report. Harvey Sookiayak gave Chairman Harrelson kudos for his report. Chairman Harrelson voiced his appreciation of our hard-working, loyal staff. He noted the impact of our scholarship program with new staff coming on board, like Joel Claudouhos.

CEO'S REPORT-Janis Ivanoff

Janis noted the elections recently held with Don Stiles of Nome, Victor Joe of St. Michael, Truman Kava of Savoonga, and Joe Garnie of Teller making it back on the board. She welcomed Oscar Takak of Elim back on the board.

Janis noted the resolution of Siu Alaska Corporation Board regarding reclassification of their seats. She went over the 2008 NSEDC Audit and the plan for the 2009 NSEDC Audit, noted the administrative changes within our organization, the openings available, and stated that the NSEDC Budget Meetings are scheduled for the week of November 30, 2009.

Chairman Harrelson referred to the 2009 NSEDC Audit Report, which is scheduled for March 2010. He wanted to ensure we are in a better position to provide this audit on time. He asked about the Nome NSEDC Office Remodel. Janis noted it will be in the 2010 NSEDC Budget. Charlie Lean went over the plan for the remodel. Chairman Harrelson asked about the work in Nome with the building of a new bridge and its effects on our property. Charlie and Simon gave an update. Chairman Harrelson would like our board to review the plan with the negotiations with the City of Nome.

Joe Garnie asked about the plan for the walk-in freezer. Charlie Lean said the freezer room will be changed to an incubation room for salmon.

Reggie Barr requested to add board ethics to their board training and the board retreat to be in Alaska, instead of going down to the states due to the swine flu.

FINANCIALS/INVESTMENT PORTFOLIO

Rick Walicki gave the NSEDC Financials/Investment Portfolio. Rick went over the significant differences between 2009 and 2008. On the statement of activities, Joe Garnie asked for clarification of the administrative expenses of Siu and the amount of monies to go to the Bering Sea Women's Group. Joe asked about the monies paid to the BSWG after expenses with 25% going to them.

Merlin Johnson Sr. joined the meeting at 1:40 p.m.

Rick noted the good investment performance of our investment portfolio since March of 2009. Joe Garnie asked for the amount of revenues generated by our boats. He noted the amount of money put in the Aleutian #1. He requested more detail. Rick noted that we had this breakdown in the past, so this could be done pretty quickly.

We took a break at 1:50 p.m. The meeting reconvened at 2:02 p.m.

SIU ALASKA CORPORATION REPORT-John Eckels

John Eckels gave the Siu Alaska Corporation Report. John felt things are coming together and starting to gel. The Siu board will be having an Alignment meeting similar to strategic planning. Negotiations with the Bering Sea Women's Group have been finalized. John summarized their activities working with some of the other CDQ Groups with pollock and crab quotas, which requires a lot of due diligence. John felt that NSEDC should own the quota and not Siu. John went over the plan for harvesting our crab quota. He noted market prices are down for golden king crab. He provided an update on Aleutian #1, noting the significant maintenance and injuries to two crew members, both from our region. With the concern for safety, John will sit down with the skippers to ensure safety procedures are adequate. The Pacific Star, while on charter, struck a blue whale, an endangered species. The U.S. Coast Guard declared it an inadvertent accident. Chairman Harrelson asked John about the possibility to do some work for the exploratory oil drilling in the Chukchi Sea. John said the oil companies require higher certification than what our vessel has. Chairman Harrelson asked about employing Norton Sound residents on the charters as crew. The charter that just finished and the oil companies provide their own crew.

John concluded his report with a Glacier Fish Company Update. The Alaska Ocean and the Pacific Glacier are tied up in Seattle waiting for Pollock "A" Season. The revenues from GFC will be a lot lower than last year. With the acquisition of the Alaska Ocean, depreciation will be significantly higher this year so we will have less taxable income. John noted that we may need to make a capital contribution to GFC along with our partners. Siu Alaska Corporation is having its annual meeting on Friday.

Wilfred Katcheak asked about the accounting cycle of Siu. John informed him that we operate on the calendar year. Wilfred would like to see the financials of our harvesting partner, Glacier Fish Company.

Joe Garnie would like to see all the information leading up to the renovation of the Aleutian #1 and the BSWG giveaway. Chairman Harrelson noted that he was present at the meetings with the plan for the Aleutian #1. Janis noted the initial plan to approach BSWG with 25% ownership of Aleutian #1 during a workshop in August. Chairman Harrelson thanked John for his hard work.

MANAGERS REPORTS

CDQ Management-Jon Zuck

Simon Kinneen gave the CDQ Harvest Management Report for Jon Zuck. He introduced Roy Ashenfelter, who is working with Jon Zuck to learn the responsibilities of his new position. See "CDQ/IFQ Management-2009 Third Quarter Activity Report".

Chairman Harrelson excused himself for a couple minutes turning the meeting over to NSEDC Vice-Chairman Dean Peterson at 2:34 p.m.

Southern and Northern NSSP

a. Middy Johnson

Middy Johnson gave the Southern Norton Sound Seafood Products Report. Middy noted the new plan to house workers brought in a lot more and they really helped out. Elvina Naranjo thanked Middy for all his hard tireless work. Frank Katchatag said he is doing a good job.

b. Rich Ferry

Rich Ferry gave the Northern Norton Sound Seafood Products Report. Vice-chairman Dean Peterson read the letter from Edgar Jackson regarding Greg Alexander.

Chairman Harrelson returned at 2:44 p.m.

Chairman Harrelson noted the written reports provided in the packet.

Written Reports

a. Community Benefits Department-Paul Ivanoff

Don Stiles asked for an update on the work on the Unalakleet Wind Project. Contractors hope to get the project completed by late November. Ike Towarak of UVEC and STG thanked the board for their support. He noted that the work with NSEDC Accounting was really pleasant for UVEC and STG. In regards to the wind thermal project, Don asked for clarification on the plan of STG for next week. Working with UAF, they are monitoring different projects like the Pilgrim Hot Springs to see if it's a viable energy source. Don asked for their preliminary assessment and if it would be made available. Paul Ivanoff III noted the staff of the community benefits department is down by two people, but Yvonne Ashenfelter and Kathy Wheelehan stepped up with a lot of help.

b. EET Department-Jerry Ivanoff

Chairman Dan Harrelson noted that the NSEDC EET Department doled out an all time high for scholarship awards. Janis Ivanoff noted that BSF, Kawerak, NSHC, and NSEDC sent care packages to all our scholarship recipients. Jerry said one recipient called and was so thankful for the roll of quarters.

Chairman Harrelson noted the plan to buy community welders and the possibility of provide training for it and if the requirement is to have ten people to sign up. Jerry stated that this was so, but if given direction, we could provide this training as we have local expertise. He also noted that NACTEC in scheduling an advisory meeting. Chairman Harrelson asked if Jerry was willing to sit on this panel. Jerry stated that he would be.

c. HR Department-Camille Cruz

There were no questions.

d. NSFR&D-Charlie Lean

Chairman Harrelson asked for an update on Hobson Creek. Charlie noted the work to mark the otoliths on the fish we produce. The otoliths have been sent in, but the report is not available yet. Elvina Naranjo asked if Charlie planned to expand this project to all our member communities. Charlie stated that this could be done with the plan to spread it around. Janis asked if Charlie

planned to go back to Wales and Little Diomed. Chairman Harrelson noted the employment provided from the marine cleanup in our villages and the lesson it provides our young not to pollute our land. This program will reach all our member communities and provide employment opportunities. Chairman Harrelson informed Elvina of the IGAP Program.

The meeting was recessed at 3:05 p.m. until 9:30 a.m. tomorrow.

November 5, 2009

Chairman Harrelson reconvened the NSEDC 2009 Third Quarter Board of Directors' Meeting at 9:35 a.m. For the record, all the board members were present, except Truman Kava, who was excused, and Mary Menadelook.

From the public, Mike Sloan, Kawerak's Fishery Biologist, joined the meeting.

Chairman Harrelson informed board and staff they were invited to lunch with the elders at noon and to a dinner at Peace on Earth at 6:30 p.m.

COMMITTEE REPORTS

a. Executive Committee Report

Chairman Dan Harrelson gave the NSEDC Executive Committee Report.

Don Stiles made a motion to approve the NSEDC Executive Committee Report with its recommendation. Frank Oxereok Jr. seconded the motion.

Reggie Barr asked about the Pilgrim Hot Springs Proposal, which will be covered in executive session.

The motion passed.

b. Rules & Bylaws Committee Report

Chairman Stiles gave the NSEDC Rules & Bylaws Committee Report. Simon went over the bylaws, article 3, section 5, concerning the "resident fisherman" issue. Don Stiles asked if federal law required board members to be a resident fisherman. Don Stiles noted there may be some people who tom cod fish now that would qualify as subsistence fisherman and are not required to have a subsistence permit. There was extensive discussion about what documentation should be required. At one point it was mentioned that the State of Alaska accepts signed affidavits for their documentation. Harvey Sookiayak recommended that a written affidavit from a third party be accepted for subsistence fisherman. This language will be added to the further resolved.

A portion of the resolution states, "A 'resident fisherman' shall be an individual with recent (within _____ years prior to the election) documented commercial or subsistence-fishing activity..." The Board discussed what should be considered "recent". By a show of hands, they decided the activity should occur within ten years of the election.

Frank Oxereok Jr. made a motion to pass NSEDC Resolution 09-08 as amended concerning a resident fisherman. Harvey Sookiayak seconded the motion. The motion passed.

c. Scholarship Committee Report

Chairman Victor Joe gave the NSEDC Scholarship Committee Report. Wilfred Katcheak asked if the recommendation to increase our scholarship fund to \$650,000.00 could be addressed at our budget meeting next month.

d. NSSP Working Group Report

Chairman Joe Garnie gave the NSSP Working Group Report.

Dean Peterson made a motion that the NSSP Working Group meet twice a year, once prior to the fishing season and once at the end of the season.

Dean felt that we were starting to hold two NSEDC FDC Meetings, which was not the intent of the working group.

Harvey Sookiayak seconded the motion. The motion passed.

With the request of the NSHA and the boat trailer, Wilfred Katcheak felt that they own the trailer and should charge to rent it to cover the maintenance charges. Chairman Harrelson, in regards to the boat ramp in the outer harbor of Nome, noted the motion by Steve Ivanoff and suggested more work be done in the budget process before approval, as it will cost about a half million dollars to build the ramp.

Frank Oxereok Jr. made a motion to approve the NSSP Working Group Report with all its recommendations. Victor Joe seconded the motion.

Joe Garnie asked if the dates for the two meetings would be posted. Chairman Harrelson stated that these meetings will be held well in advance of the fisheries. Wilfred Katcheak asked about the boat trailers recommendation that they lease the boat trailers for repairs. Don Stiles noted the composition of the NSSP Working Group. William Johnson noted that the meetings would give us an opportunity to get input from our fishermen.

The motion passed.

e. Fisheries Development Committee Report

Wes Jones gave the NSEDC Fisheries Development Committee Report.

Wilfred Katcheak made a motion to approve the NSEDC Fisheries Development Committee Report with its recommendations. Joe Garnie seconded the motion.

Harvey Sookiayak asked for clarification on how many fish one tag represented. Charlie Lean provided him with an answer of five percent.

The motion passed.

f. Finance Committee Report

Chairman Harrelson gave the NSEDC Finance Committee Report.

Under fishermen receivables loan proposal, Don Stiles suggested removing the 4,000 maximum for salmon fisherman and making it equal to the crab fishermen's maximum, which is 10,000.

Don Stiles made a motion to approve the NSEDC Finance Committee Report with all its recommendations with the changes. Frank Oxereok seconded the motion. The motion passed.

We took a break at 10:53 a.m. The meeting reconvened at 11:10 a.m.

Frank Oxereok was excused to take care of some medical issues.

OLD BUSINESS

a. NSEDC Education Foundation Update
NSEDC CEO Janis Ivanoff gave the NSEDC Education Foundation Update during her report.

NEW BUSINESS

a. Ratification of Siu Resolution Re: Class "A" Seats
NSEDC CEO Janis Ivanoff noted the Siu Resolution Re: Class "A" Seats in the packet. She provided the board with an update on the terms of the Siu Alaska Corporation Board Members.

Wilfred Katcheak made a motion to ratify Siu Resolution 09-03. Elvina Naranjo seconded the motion. The motion passed.

b. 2009 Community Benefit Share
Janis informed the board that we had \$1,500,000.00 available for the community benefit share.

Harvey Sookiayak made a motion to make the 2009 CBS \$100,000.00. Dean Peterson seconded the motion.

Don Stiles asked how much was available for the CBS. Joel James asked about the guidelines of this program. Janis noted that we are working with the City of Wales. Joe Garnie asked for clarification of the City of Teller's Community Benefit Share with some left over from 2008.

The motion passed.

c. Annual Statement of Compliance
We went over the annual statement of compliance. Simon Kinneen expounded on how our funds are spent to comply with the Stevens Magnuson Act. Simon provided the board on the fishery or non-fishery expenditures for 2009 and we are in compliance.

Don Stiles made a motion to adopt NSEDC Resolution 09-09, the annual statement of compliance. Elvina Naranjo seconded the motion. The motion passed.

d. Southern Norton Sound Advisory Committee
SNSAC Committee Member Art Ivanoff addressed the board to ask for support on the Chinook Bycatch Issue and for representation on the NPFMC. He provided a letter from himself and another from Loretta Bullard to Lisa Murkowski in support of having a tribal seat on the NPFMC. Mike Sloan, the Kawarak biologist was present if the Board had any questions. Art Ivanoff stated that we are requesting a seat on the NPFMC to address the issues of bycatch. Chairman Harrelson recommended that our board direct staff to draft a letter of support.

Don Stiles made a motion to support this issue on representation on the NPFMC. Elvina Naranjo seconded the motion.

Reggie Barr noted, after attending the council meetings, he supports this proposal.

The motion passed.

Frank Oxereok Jr. joined the meeting at 11:30 a.m.

OTHER BUSINESS

a. City of Wales Representative
This will be discussed in executive session.

b. Pilgrim Hot Springs
This will be discussed in executive session directed by NSEDC Executive Committee.

PUBLIC COMMENTS

Sheldon Katchatag, a commercial fisherman, thanked the board and staff for providing a decent market for our salmon and continued support of our fishermen. It was good to be paid a fair price.

BOARD COMMENTS

Don Stiles, Dean Peterson, and Victor Joe had no comment.

Wilfred Katcheak thanked Unalakleet for their hospitality.

Frank Katchatag thanked the board for selecting Unalakleet for this meeting.

Joel James and Joe Garnie thanked Unalakleet for their hospitality.

Reggie Barr thanked the full board for closing the sockeye fishery in the Teller and Brevig Mission Area. Thanks to Unalakleet for their hospitality and Jerry for feeding them.

Elvina Naranjo thanked Unalakleet for their hospitality.

Charlie Saccheus thanked Unalakleet for their hospitality and thanked staff for all their hard work.

Harvey Sookiayak thanked Unalakleet for their hospitality. He also noted that we have a good, hard-working staff.

Frank Oxereok Jr. thanked Janis for her hard work and Unalakleet for their hospitality.

Chairman Harrelson thanked Unalakleet for their hospitality and was appreciative of having this meeting in Unalakleet, where we have a lot of fishermen and boats. He would like to have meetings in all our member communities noting the economic impact our meetings have.

Janis Ivanoff thanked Unalakleet for their hospitality and thanked the NSEDC Board and Staff. Janis noted the impact of all our programs in the region. She informed the board there will be a tour of the windmills at 5:00 p.m.

Frank Oxereok Jr. made a motion to go into executive session at 11:38 a.m. to go over personnel, City of Wales Representation, Pilgrim Hot Springs, tax update, and a short meeting with the Native Village of Unalakleet. Elvina Naranjo seconded the motion. The motion passed.

The Board took a break at 12:05 p.m. for lunch. They reconvened at 1:00 p.m.

Don Stiles moved, seconded by Dean Peterson, to return to regular session. The Board returned to regular session at 1:42 p.m.

Chairman Harrelson asked if there was any action the Board wanted to take regarding discussion in executive session.

Frank Oxereok moved, seconded by Wilfred Katcheak, to oppose the American Fisheries Act amendment as discussed in executive session. Question was called. The motion passed unanimously.

Don Stiles moved, seconded by Harvey Sookiayak, to follow staff's recommendation in regards to the CDQ Loan allocation split presented in executive session. Question was called. The motion passed unanimously.

Don Stiles moved, seconded by Frank Oxereok, to move forward with BSNC, Kawerak and Sitnasauk in pursuing interest in the Pilgrim Hot Springs Area. Question was called. The motion passed unanimously.

The Board recessed until 9:00 a.m. the next morning.

November 6, 2009

SIU SHAREHOLDER MEETING

Chairman Dan Harrelson reconvened the meeting at 9:05 a.m. For the record, all the board members were present except Mary Menadelook and Truman Kava, who was excused.

Chairman Harrelson turned the floor over to Siu Alaska Corporation Chief Executive Officer John Eckels for the Siu Shareholder Meeting.

Wilfred Katcheak made a motion to go into executive session at 9:07 a.m. for the Siu Alaska Corporation Shareholder Meeting. Frank Oxereok Jr. seconded the motion. The motion passed.

Wilfred Katcheak made a motion to return to regular session at 9:22 a.m. Victor Joe seconded the motion. The motion passed.

NSEDC Board Chairman Dan Harrelson and NSEDC CEO Janis Ivanoff presented Charles Saccheus with a picture of Elim and a Carhartt Jacket for his years of service on the board.

Charlie Saccheus addressed the board noting that our board and staff are all fine people. Don't worry about global warming. He hoped we have successful fishing in the future. Thank you all!

ADJOURNMENT

Harvey Sookiayak made a motion to adjourn the NSEDC 2009 Third Quarter Board of Directors Meeting at 9:25 a.m. on November 6, 2009.

Dan Harrelson, NSEDC Board Chairman

Jerry Ivanoff, NSEDC Corporate Secretary

Date

ATTACHMENT 2
NSEDG Board of Directors
Special Meeting Minutes
September 11, 2009



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 Meeting
Westmark Hotel Penthouse
September 11, 2009
10:15 a.m.

CALL TO ORDER

Chairman Harrelson called the Board of Directors meeting to order at 10:15 a.m.

ROLL CALL

Present were: Reggie Barr, Joe Garnie, Dan Harrelson, Joel James, Victor Joe, Frank Katchatag, Wilfred Katcheak, Truman Kava, Mary Menadelook, Elvina Naranjo, Frank Oxereok, Dean Peterson, Charles Saccheus, Harvey Sookiayak, and Don Stiles. Staff present were: Janis Ivanoff, Rick Walicki, Aggie Blandford, Paul Ivanoff III, Galsy Ashenfelter, Kathy Wheelehan, and Simon Kinneen. Public present for portions of the meeting were Don Mitchell and Mike Seville.

INVOCATION

Harvey Sookiayak gave the invocation.

WAIVER OF NOTICE OF MEETING

Reggie Barr made a motion, seconded by Elvina Naranjo, to waive notice of the meeting. The motion passed unanimously.

APPROVAL OF THE AGENDA

Under Old Business, Chairman Harrelson added two items to be discussed in an executive session. The first was Tax Legislation Update and the second was Hanson Lawsuit Update.

Frank Oxereok made a motion, seconded by Victor Joe, to approve the agenda as presented. The motion passed unanimously.

WAIVER OF APPROVAL OF MINUTES

Reggie Barr made a motion, seconded by Dean Peterson, to waive approval of minutes. Question was called. The motion passed unanimously.

PUBLIC COMMENTS

No public or written public comments were provided.

"NSEDCC 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."

OLD BUSINESS

Outside Entity Funding

This item was discussed thoroughly in the Board's workshop. They narrowed down their options and staff provided a final proposal showing only those options. The final proposal was reviewed. Chairman Harrelson asked what action the Board would like to take.

Elvina Naranjo made a motion, seconded by Frank Oxereok, to go with option 2 of Component 2, equal distribution by community.

Chairman Harrelson listed the other components of the final proposal and asked Elvina if her motion included those items:

Component 1, option 4 – Award Process: Localized Outside Entity Committee and the sub-option regarding “banking” funds.

Elvina's motion listed Component 2, option 2. Chairman Harrelson listed the sub-option of option 2, regarding setting aside ten percent of the OEF for a regional entities grant process.

Component 3, option 2 – Exclusion of Fisheries Projects from the OEF process.

The motion includes the options listed as presented in staff's final version of the OEF proposal, as discussed and agreed upon by the Board.

Don Stiles said he is voting no on the motion based on the discriminatory nature to a large population center. He feels equal distribution by community discriminates against his larger community. Don would support a blended distribution of 20 percent by population and 80 percent by equal distribution. He said the Community Energy Fund and the Community Benefit Share are distributed equally and he supports those but, he pointed out, if you divide those out per capita, the funds are not distributed equally.

Harvey Sookiayak also voted no. He said even though he comes from a smaller community he recognizes that NSEDC wouldn't get as large of an allocation as it does if it weren't for the bigger communities. He would also support a distribution based on 20 percent population.

Don Stiles requested a roll call vote. Chairman Harrelson clarified that a “yes” vote is to pass the motion and a “no” vote is against passing the motion.

The motion passed with eight directors voting yes and seven voting no.

Funding Allocation

Chairman Harrelson said the Board discussed this at length and the staff did a great presentation. He pointed out the chart provided in their packets and asked the Board if they needed any clarification to take action on staff's recommendation for Allocation of Funds.

Frank Oxereok made a motion, seconded by Elvina Naranjo, to approve staff's recommendation for Funding Allocation. Question was called. The motion passed unanimously.

Janis Ivanoff brought up the second part of the Funding Allocation proposal. In the Board's packet was an interim solution for 2010 funding of the Outside Entity Funding program, the Community Benefit Share and internal programs.

Wilfred Katcheak made a motion, seconded by Dean Peterson, to approve option B of staff's recommendation for the interim solution for 2010 funding. Question was called. The motion passed unanimously.

Chairman Harrelson listed the items to be discussed in executive session and asked if there was a motion to go into executive session.

Harvey Sookiayak made a motion, seconded by Victor Joe, to go into executive session. The Board went into executive session at 10:32 a.m.

Tax Legislation Update

This item was discussed in executive session.

Hanson Lawsuit Update

This item was discussed in executive session.

Elvina Naranjo made a motion, seconded by Frank Oxereok, to return to regular session. The Board returned to regular session at 11:56 a.m.

NEW BUSINESS

There was no new business.

OTHER BUSINESS

Chairman Harrelson said the North Pacific Fisheries Management Council meeting agenda will be sent to the Board and if anyone is interested in attending they should let staff know what portions they would like to attend.

ADJOURNMENT

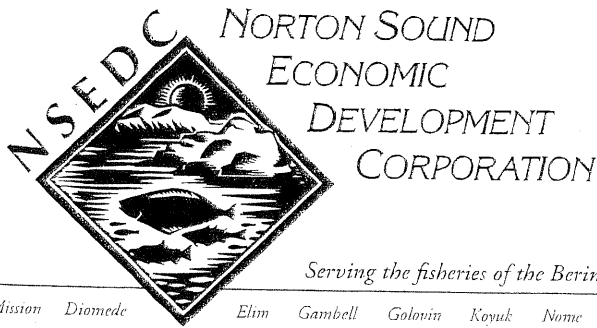
Frank Katchatag made a motion, seconded by Frank Oxereok, to adjourn the NSEDC Special Board of Directors Meeting at 12:01 p.m. on September 11, 2009. The meeting adjourned.

Jerry Ivanoff, NSEDC Corporate Secretary

Dan Harrelson, NSEDC Board Chairman

Date

ATTACHMENT 3
NSEDG Board of Directors
Special Meeting Minutes
December 1-2, 2009



FILE COPY

Serving the fisheries of the Bering Strait Region

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

**Norton Sound Economic Development Corporation
Special Board of Directors Meeting
Westmark Hotel Penthouse
December 1 & 2, 2009
9:00 a.m.**

A. CALL TO ORDER

NSED Board Chairman Dan Harrelson called the NSED Special Board of Directors Meeting to order at 9:08 a.m. on December 1, 2009 at the Westmark Hotel Penthouse.

B. ROLL CALL

Present: Joel James, Truman Kava, Frank Oxereok Jr., Reggie Barr, Joe Garnie, Don Stiles, Dan Harrelson, Dean Peterson, Oscar Takak, Elvina Naranjo, Harvey Sookiayak, and Frank Katchatag. Wilfred Katcheak was present via teleconference. Victor Joe was absent and excused. Mary Menadelook resigned as of November 1, 2009. Staff present: Janis Ivanoff, Simon Kinneen, Paul Ivanoff III, Rich Ferry, Rick Walicki, Jon Zuck, Kathy Wheelehan, and Jerry Ivanoff. John Eckels of Siu Alaska Corporation and Mike Seville, legal counsel were also present.

C. INVOCATION

Harvey Sookiayak gave the invocation.

D. WAIVER OF NOTICE OF MEETING

Don Stiles made a motion to waive the notice of the meeting. Harvey Sookiayak seconded the motion. The motion passed.

E. APPROVAL OF AGENDA

Elvina Naranjo made a motion to approve the agenda. Frank Oxereok Jr. seconded the motion. The motion passed.

F. WAIVER OF APPROVAL OF MINUTES

1. November 4, 5 & 6, 2009

Harvey Sookiayak made a motion to waive the approval of the NSED 2009 Third Quarter Board Meeting Minutes of November 4 & 5, 2009. Oscar Takak seconded the motion. The motion passed.

G. PUBLIC COMMENTS

None provided.

H. SIU SHAREHOLDER MEETING

1. NSED Affiliated Class A Seat – Henry Ivanoff

"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 meso-scale communities and Western Alaska, while protecting subsistence resources."

The SIU Shareholder Meeting was postponed until the arrival of Victor Joe. The Siu Shareholder Meeting was held on December 2, 2009 at 9:01 a.m.

I. OLD BUSINESS

There was no old business.

J. NEW BUSINESS

1. Election Lawsuit – *executive session*

Frank Oxereok Jr. made a motion to go into executive session to cover the election lawsuit of Nome at 9:13 a.m. Harvey Sookiayak seconded the motion. The motion passed.

Frank Oxereok Jr. made a motion to return to regular session at 10:01 a.m. Dean Peterson seconded the motion. The motion passed.

Harvey Sookiayak made a motion to authorize the NSEDC Executive Committee to handle the Tim Smith Lawsuit. Frank Oxereok Jr. seconded the motion.

There was discussion about what authority the Executive Committee would be given, the timeline that a response needs to be made and reporting updates to the full board. After discussion, Chairman Harrelson verified that the Executive Committee will approve the response to the complaint.

The motion passed.

2. CDQ loan split

NSEDC CEO Janis Ivanoff went over the CDQ loan split. This loan would be utilized for investments in the Bering Sea. Janis Ivanoff would like the full board to agree on this CDQ loan split in concept giving NSEDC access \$40 million. Joe Garnie voiced his concern with having a \$40 million loan. Chairman Harrelson noted we may not take up this loan, but it will be made available for us. Joe Garnie asked how big we want to get in the Bering Sea Fishery. He mentioned that we have been harvesting in the Bering Sea for 20,000 years, we should be careful about allowing industry into our neighborhood. He noted we have a big responsibility to protect our fishery, the future of the fishery, and to maintain a sustainable stock to protect our future.

Harvey Sookiayak made a motion to approve the CDQ loan split in concept and the recommended allocations. Elvina Naranjo seconded the motion.

Oscar Takak requested a roll call vote, noting it's important to have people see our vote. Chairman Harrelson concurred with Joe Garnie on our responsibility. He stressed that approving this motion does not mean we are getting a \$40 million loan.

The motion passed with thirteen votes yes and one vote no from Joe Garnie.

3. NSSP logo

The NSSP logo was tabled until Southern NSSP Manager William Johnson was present.

4. Diomedea Representative

Mary Menadelook provided a letter of resignation to NSEDC's Chairman. NSEDC CEO Janis Ivanoff informed the board on the progress to replace Mary Menadelook. Chairman

Harrelson directed staff to bring Mary Menadelook to Nome for the next meeting to recognize her years of service. Harvey Sookiayak requested a down jacket with our name on it. Wilfred Katcheak asked when this term would expire. Janis noted that whoever wins this election will have to run again in October 2010.

NSEDC Resolution 09-10

Don Stiles made a motion to adopt NSEDC Resolution 09-10. Oscar Takak seconded the motion. The motion passed.

We took a break at 10:30 a.m. The meeting reconvened at 10:51 a.m.

5. 2010 NSEDC Budgets – executive session

Oscar Takak made a motion to go into executive session at 10:51 a.m. to go over the NSEDC 2010 Budgets. Elvina Naranjo seconded the motion. The motion passed.

December 2, 2009

Chairman Harrelson called the NSEDC Special Board Meeting back to order at 9:01 a.m. For the record, all the board members were present except Little Diomedé.

Don Stiles made a motion to return to regular session at 9:02 a.m. Harvey Sookiayak seconded the motion. The motion passed.

The Siu Alaska Corporation Shareholder Meeting was held.

Siu Alaska Corporation
Special Meeting of the Shareholder
December 2, 2009 9:00 a.m.

CALL TO ORDER

Siu Alaska Corporation CEO John Eckels called the Siu Alaska Shareholders' Meeting to order at 9:02 a.m.

ESTABLISH QUORUM

The roll call was taken with Joel James, Truman Kava, Frank Oxereok Jr., Reggie Barr, Joe Garnie, Don Stiles, Dan Harrelson, Dean Peterson, Oscar Takak, Elvina Naranjo, Harvey Sookiayak, Frank Katchatag, Victor Joe, and Wilfred Katcheak. Absent was Little Diomedé, as Mary Menadelook turned in her letter of resignation as of November 1, 2009. Staff present: Janis Ivanoff, Simon Kinneen, Rick Walicki, Rich Ferry, William Johnson, Charlie Lean, Kathy Wheelehan, and Jerry Ivanoff.

NOTICE OF MEETING

Siu Alaska Corporation CEO John Eckels notified the board that the notice of this meeting was advertised and sent by email on November 9, 2009.

APPROVAL OF AGENDA

Dan Harrelson made a motion to approve the agenda. Oscar Takak seconded the motion. The motion passed.

WAIVER OF APPROVAL OF MINUTES

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

ELECTION OF AFFILIATED SEAT

CEO John Eckels explained who can fill the NSEDC Affiliated Seat.

a. Nominations

Dan Harrelson nominated Dean Peterson, who declined. Wilfred Katcheak nominated Oscar Takak. Dean Peterson nominated Dan Harrelson. Harvey Sookiayak nominated Jack Carpenter.

Don Stiles made a motion to cease nominations. Elvina Naranjo seconded the motion. The motion passed.

b. Presentation of slate and voting

Ballots were passed out and collected. The vote reflected three votes for Oscar Takak, four votes for Dan Harrelson, and seven votes for Jack Carpenter.

Jack Carpenter will sit on the Siu Alaska Corporation Board, as the class A, NSEDC Affiliated Seat.

ADJOURNMENT

Dan Harrelson made a motion to adjourn the Siu Alaska Corporation Shareholder Meeting at 9:08 a.m. Frank Oxereok Jr. seconded the motion. The motion passed.

Norton Sound Economic Development Corporation
Special Board of Directors Meeting cont.
Anchorage, Alaska

NSEDC Board Chairman Harrelson reconvened the NSEDC Special Board Meeting at 9:09 a.m.

Frank Oxereok Jr. made a motion to go into executive session at 9:09 a.m. to finish going over the budgets. Oscar Takak seconded the motion. The motion passed.

NSEDC Board Chairman Dan Harrelson recessed the meeting at 1:00 p.m.

Norton Sound Economic Development Corporation
Special Board of Directors Meeting
Seattle, Washington
December 4, 2009

NSEDC Board Chairman Dan Harrelson reconvened the NSEDC Special Board Meeting at 1:27 p.m. on December 4, 2009.

Frank Oxereok made a motion to return to regular session at 2:36 p.m. Harvey Sookiayak seconded the motion. The motion passed.

Dean Peterson moved, seconded by Oscar Takak, to approve the 2010 NSEDC Budget as presented and amended in executive session, including the operating budget, capital budget, and Outside Entity projects including tentative approval of the Norton Sound Seafood Center second floor remodel contingent upon receiving and approving a business plan.

Under discussion, Harvey Sookiayak brought up a question on the cost of board attendance at NPFMC meetings.

Dean Peterson moved to go into executive session at 2:58 p.m. to discuss Harvey's question.

Frank Oxereok moved to return to regular session at 3:06 p.m.

Question was called on the budget approval motion made by Dean Peterson. The motion passed with one abstention from Harvey Sookiayak.

Frank Oxereok made a motion to go with option B as presented for the NSSP Logo. Elvina Naranjo seconded the motion. The motion passed.

K. OTHER BUSINESS

Victor Joe suggested a contact person be available after work hours when board members are traveling. Chairman Harrelson said that will be taken care of administratively.

Frank Oxereok mentioned a problem checking into hotels without a credit card.

L. ADJOURNMENT

Dean Peterson made a motion to adjourn the NSEDC Special Board of Directors Meeting at 3:10 p.m. Don Stiles seconded the motion. The motion passed.

Dan Harrelson, NSEDC Board Chairman

Jerry Ivanoff, NSEDC Corporate Secretary

Date

ATTACHMENT 4
NSEDG Board of Directors
Special Meeting Minutes
December 15, 2009



Serving the fisheries of the Bering Strait Region

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

**Norton Sound Economic Development Corporation
Special Board of Directors Meeting/Teleconference
December 15, 2009
4:00 p.m.**

CALL TO ORDER

NSEDCE Board Chairman Dan Harrelson called the NSEDCE Special Board Meeting to order, via teleconference, on December 15, 2009 at 4:05 p.m.

ROLL CALL

Present at the Anchorage office were: Oscar Takak, Joe Garnie, Elvina Naranjo, Frank Oxereok Jr., Frank Katchatag and Reggie Barr. Other board members present and participating by teleconference were Victor Joe, Joel James, Harvey Sookiayak, Dean Peterson, Truman Kava, Wilfred Katcheak, Dan Harrelson, and Don Stiles. Sitting in the meeting was Orville Ahkinga of Little Diomede. Staff present: Janis Ivanoff, Simon Kinneen, Paul Ivanoff III, and Jerry Ivanoff. Rich Ferry joined the meeting at 4:39 p.m. via teleconference.

INVOCATION

None given.

WAIVER OF NOTICE OF MEETING

Don Stiles made a motion to waive the notice of the meeting. Wilfred Katcheak seconded the motion. The motion passed.

APPROVAL OF AGENDA

Oscar Takak made a motion to approve the agenda, as amended to include 2009 Fishing Season Bonus. Frank Katchatag seconded the motion. Joe Garnie recommended deleting "invocation" for this special meeting agenda. The motion passed.

WAIVER OF APPROVAL OF MINUTES

Harvey Sookiayak made a motion to waive the approval of the minutes. Dean Peterson seconded the motion. The motion passed.

PUBLIC COMMENTS

No public comments were provided. NSEDCE CEO Janis Ivanoff noted emails and phone calls from crab and halibut fishermen requesting a 2009 fishing season bonus. Their reasoning included high fuel prices, extended crab season, and plant closure. Joe Garnie noted that he recently spoke with Jim West Jr. who would like to join the bulk fuel program. Don Stiles noted that his paperwork was received and submitted. Janis Ivanoff confirmed he is already signed up to participate.

"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."

OLD BUSINESS

There was no old business.

NEW BUSINESS2010 Bulk Fuel Program

A discussion paper was included in the packet on the 2010 Bulk Fuel Program and NSEDC CEO Janis Ivanoff went over the details. She informed the board on the probable increase in the bulk fuel program making it too costly to take out of the operating budget. She recommends going to various financial institutions to request proposals for a Marketable Securities Revolving line of credit, or a similar loan facility to cover the cost of the fuel orders in the Bulk Fuel Program. The plan is to get a \$20 million line of credit for this program. Chairman Harrelson voiced his concern with NSEDC paying interest on the loan and not charging our vendors. He asked how much it would cost NSEDC. Janis Ivanoff noted we would pay \$300 to \$400 thousand in fees and interest, should NJUS and Bonanza Fuel decide to join the program. There was discussion about the cost of the fuel and fees. The cost of the fees would come out of the administrative budget. Chairman Harrelson noted the possible increase in fuel prices in the future, which would put a pinch on us annually. Frank Oxereok asked if more participants make it more expensive for our villages. Chairman Harrelson noted we may get a lower price for fuel with a bigger bulk fuel order but he feels Nome should contribute to the administrative costs. Harvey Sookiayak felt that we should not have a problem with the administrative costs. Janis Ivanoff noted the \$300 to \$400 thousand would be in addition to the amount already budgeted. Chairman Harrelson asked for the wishes of the board in regard to adding NJUS, Sitnasuak, and Jim West Jr. to the bulk fuel program.

Don Stiles made a motion to allow staff to request proposals for a Marketable Securities Revolving Line of Credit, or similar loan facility and to include the entities as discussed. Harvey Sookiayak seconded the motion.

Chairman Harrelson asked if the funds would come from our investment portfolio. Don Stiles felt staff should go for a line of credit. Janis Ivanoff's recommendation is to seek a loan with a lower interest rate or line of credit.

The motion passed.

2009 Fishing Season Bonus

Don Stiles, Dean Peterson, Oscar Takak, Truman Kava, Harvey Sookiayak and Frank Katchatag excused themselves with a conflict of interest in crab and/or halibut fishing. Joe Garnie asked Don Stiles if they could have a discussion on bonuses before he excused himself. Don opted not to. Rich Ferry joined the meeting at 4:39 p.m. Joel James joined the meeting at 4:41 p.m. Janis stated that a spreadsheet on various options to structure a 2009 fishing season bonus was developed to assist in the discussion. Chairman Harrelson noted that in 2009, the NSEDC Board opted not to set a bonus. He clarified that the salmon fishermen received an adjustment in the grounds price based on the market price increasing. This bonus discussion came up because Janis is getting a lot of calls from fishermen expressing their support of a bonus due to high fuel costs and operating expenses. Janis Ivanoff noted that we paid \$3.27 per pound for crab. Joe noted that he received calls from a Nome fisherman, who is concerned and unhappy with plant management and feels a bonus is warranted. Janis Ivanoff stated that she too had received a call from a fisherman expressing that sentiment, but she also received many other calls expressing

support of Rich and stating what a good job he did this season. Chairman Harrelson asked Rich Ferry about the price paid for halibut and elsewhere around the state. Rich Ferry stated we did not make any money on the halibut operation and right now, we are breaking even. After fillets are sold, we may show a profit. Chairman Harrelson noted the emails about a possible class action lawsuit from Robin Thomas. There was extensive discussion in support of and against providing a bonus, those who supported a bonus noted high fuel costs and operating expenses for the fishermen, those against a bonus noted the \$200,000 loss in the crab fishery and the fact that the board decided in July to set a fair grounds price and not do a bonus.

Wilfred Katcheak made a motion to approve a five percent increase across the board for all the fisheries. Victor Joe seconded the motion. A roll call vote was called for and taken reflecting two yes votes, five no votes, one abstention, and six conflicted out. The motion failed.

OTHER BUSINESS

No other business was presented.

ADJOURNMENT

Frank Oxereok Jr. made a motion to adjourn the NSEDC Special Board Meeting via teleconference at 5:01 p.m. Elvina Naranjo seconded the motion. The motion passed.

NSEDC Board Chairman, Dan Harrelson

NSEDC Corporate Secretary, Jerry Ivanoff

Date