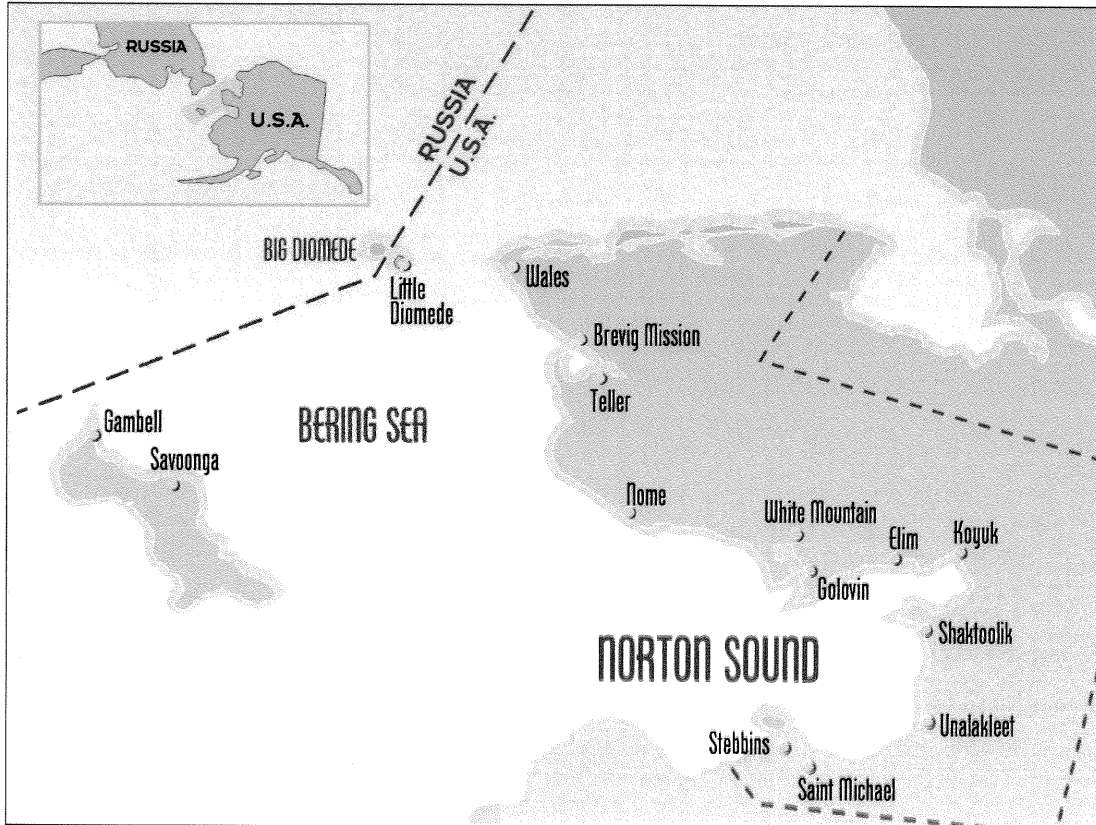


FOR DISTRIBUTION

## 2010 SECOND QUARTER REPORT

April 1 – June 30, 2010



### 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 26 – 29, 2010.
- NSEDC sponsored five residents' attendance at an IMI Refrigeration course held in Sitka, Alaska April 7, 2010.
- NSEDC sponsored three residents' attendance at the Operator of Uninspected Passenger Vessels (OUPV) licensing class held at the Alaska Nautical Training School in Anchorage April 10 – 21, 2010.
- Scholarships totaling \$75,910 were awarded to 39 residents.
- NSEDC sponsored a Traditional Wood Carving class in Koyuk.
- NSEDC sponsored a Qawairaq Inupiaq Language class through UAF Northwest Campus.
- NSEDC sponsored a Cardiopulmonary Resuscitation (CPR) class in Unalakleet.
- NSEDC sponsored a Hazardous Waste Operations and Emergency Response class in White Mountain. Of the fifteen participants, five attendees received certifications.
- 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 \$181,989 in wages.
- One resident worked on the *F/V Aleutian No. 1* earning \$17,000 in wages.
- Six fishermen delivered 2,518 pounds of Open Access Norton Sound winter red king crab to NSSP receiving an ex-vessel total of \$8,813 for their harvests.
- Three fishermen delivered 1,174 pounds of CDQ red king crab to NSSP receiving an ex-vessel total of \$4,425 for their harvests.
- Six fishermen delivered 4,957 pounds of Norton Sound salmon to NSSP receiving an ex-vessel total of \$2,753 for their harvests.
- Thirty-one fishermen delivered 1,375,554 pounds of Norton Sound sac roe and bait herring to NSSP receiving an ex-vessel total of \$185,721 for their harvests.
- NSEDC sponsored the Norton Sound/Bering Strait Fisheries Summit hosted by Kawerak in May. The primary focus of the summit was salmon enhancement and rehabilitation.
- In May, Paula Davis was hired as the Northern NSSP office manager. Paula will be working at the NSSC in Nome.
- The NSEDC Board of Directors held a special meeting in Anchorage on June 4, 2010.
- The NSEDC Board of Directors adopted Corporate Resolution 10-03 approving the dissolution of the NSEDC Education Foundation.

## A. Outreach

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

- The NSEDC Board of Directors held its 2009 first quarter meetings in Unalakleet April 26 – 29, 2010; 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 during the quarter.
- NSEDC staff attended the Alaska Department of Fish and Game (ADF&G) preseason fisheries management meeting in April.
- NSEDC staff traveled to Wales to hold a Northern Communities' Fisheries Development Project Meeting in April.
- NSEDC staff gave a presentation on NSEDC's Bulk Fuel Program at Aleutian Pribilof Island Community Development Association's (APICDA) energy summit in April.
- NSEDC staff presented information about NSEDC scholarships and vocational training at career fairs in Shishmaref, Shaktoolik, and Savoonga during the quarter. A fair scheduled for St. Michael was cancelled due to inclement weather.
- NSEDC and local ADF&G staff gave a presentation on the Comprehensive Regional Salmon Plan at the Norton Sound/Bering Strait Fisheries Summit hosted by Kawerak in May.
- NSEDC staff hosted a fishermen's meeting in Savoonga in June.
- NSEDC staff held fishermen's meetings in Elim, Golovin, Koyuk, Nome, Shaktoolik, St. Michael, Unalakleet and White Mountain during the quarter.
- NSEDC staff participated in numerous meetings relating to the formulation of a Norton Sound Bering Strait watershed alliance during the quarter.
- NSEDC staff attended the North Pacific Fisheries Management Council crab planning team meeting.
- NSEDC's NSFR&D staff participated in a discussion with a group of exchange students from Finland regarding the size and structure of the Norton Sound region's subsistence and commercial fisheries. Crab, salmon, halibut, herring and other miscellaneous species were discussed as well as the importance of commercial fisheries and the correlation to subsistence harvests.
- NSEDC continued to update the organization's web site ([www.nsedc.com](http://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 Community Development Coordinator Roy Ashenfelter 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, 2010

	Q1		Q2		Q3		Q4		Year-to-Date
	People	Wages	People	Wages	People	Wages	People	Wages	
<b>Management/Administrative</b>									
NSEDC - In-region	10	\$ 187,371.69	10	\$ 192,217.48				\$	379,589.17
NSEDC - Anchorage	13	\$ 216,086.85	13	\$ 221,640.40				\$	437,727.25
NSSP - In-region	3	\$ 52,204.34	4	\$ 49,120.61				\$	101,324.95
<b>Total Management/Administrative</b>	<b>26</b>	<b>\$ 455,662.88</b>	<b>27</b>	<b>\$ 462,978.49</b>				<b>\$</b>	<b>918,641.37</b>
<b>CDQ Pollock Related</b>	<b>20</b>	<b>\$ 130,128.62</b>	<b>18</b>	<b>\$ 164,363.38</b>				<b>\$</b>	<b>294,492.00</b>
<b>Total NSSP Employment</b>	<b>11</b>	<b>\$ 12,332.68</b>	<b>45</b>	<b>\$ 89,359.17</b>				<b>\$</b>	<b>101,691.85</b>
<b>Other NSEDC Employment</b>									
Skippers, Deckhands, Shoreside, etc.	0	\$ -	10	\$ 59,399.38				\$	59,399.38
<b>Total Other NSEDC Empl.</b>	<b>0</b>	<b>\$ -</b>	<b>10</b>	<b>\$ 59,399.38</b>				<b>\$</b>	<b>59,399.38</b>
<b>Other Fishing</b>									
GFC - Longline	2	\$ 23,765.12	2	\$ 17,625.84				\$	41,390.96
Aleutian No. 1	1	\$ 14,000.00	1	\$ 17,000.00				\$	31,000.00
O/A Norton Sound Winter Red King Crab	9	\$ 26,940.55	6	\$ 8,813.00				\$	35,753.55
O/A Norton Sound Red King Crab	0	\$ -	0	\$ -				\$	-
CDQ Red King Crab	0	\$ -	3	\$ 4,425.98				\$	4,425.98
Norton Sound Salmon	0	\$ -	6	\$ 2,753.00				\$	2,753.00
Norton Sound Herring	0	\$ -	31	\$ 185,721.64				\$	185,721.64
NSEDC CDQ Halibut	0	\$ -	0	\$ -				\$	-
<b>Total Other Fishing</b>	<b>12</b>	<b>\$ 64,705.67</b>	<b>49</b>	<b>\$ 236,339.46</b>				<b>\$</b>	<b>301,045.13</b>
<b>NSEDC Community Outreach Liaisons</b>	<b>13</b>	<b>\$ 19,500.00</b>	<b>13</b>	<b>\$ 19,500.00</b>				<b>\$</b>	<b>39,000.00</b>
<b>Interns</b>									
NSEDC Administration	0	\$ -	0	\$ -				\$	-
NSEDC Salmon Rehab.	0	\$ -	7	\$ 12,216.17				\$	12,216.17
Alaska Dept. of Fish & Game	0	\$ -	0	\$ -				\$	-
Fisheries Development	0	\$ -	14	\$ 24,978.76				\$	24,978.76
<b>Total Interns</b>	<b>0</b>	<b>\$ -</b>	<b>21</b>	<b>\$ 37,194.93</b>				<b>\$</b>	<b>37,194.93</b>
<b>GRAND TOTALS</b>	<b>82</b>	<b>\$ 662,829.85</b>	<b>183</b>	<b>\$ 1,069,134.81</b>				<b>\$</b>	<b>1,751,464.66</b>
<b>NSEDC =</b>	<b>36</b>	<b>\$ 422,958.54</b>	<b>67</b>	<b>\$ 529,952.19</b>				<b>\$</b>	<b>952,910.73</b>
<b>NSSP =</b>	<b>23</b>	<b>\$ 91,477.57</b>	<b>95</b>	<b>\$ 340,193.40</b>				<b>\$</b>	<b>431,670.97</b>
<b>Partners =</b>	<b>23</b>	<b>\$ 167,893.74</b>	<b>21</b>	<b>\$ 198,989.22</b>				<b>\$</b>	<b>366,882.96</b>

## **Employment Summary**

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

**CDQ Pollock** – Glacier Fish Company paid wages to eighteen 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:**

- 6 employees from Unalakleet
- 2 employees from Brevig Mission
- 2 employees from Nome
- 2 employees from Shaktoolik
- 1 employee from Anchorage
- 1 employee from Golovin
- 1 employee from Kaltag
- 1 employee from Shishmaref
- 1 employee from St. Michael
- 1 employee from Stebbins/Anchorage

**NSSP Employment** – Forty-five residents of Norton Sound or other Alaska communities were employed during the second quarter.

**Community Breakdown:**

- 31 employees from Unalakleet
- 8 employees from Nome
- 3 employees from Savoonga
- 2 employees from Anchorage
- 1 employee from Wasilla

**Other NSEDC Employment** – Ten residents of Norton Sound or other communities were employed during the second quarter.

**Community Breakdown:**

- 3 employees from Nome
- 2 employees from Unalakleet
- 1 employee from Elim
- 1 employee from Golovin
- 1 employee from Shaktoolik
- 1 employee from St. Michael
- 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

One resident was employed aboard the *F/V Glacier Bay* during the quarter.

**Community Breakdown:** 1 employee from Elim/Anchorage

Six fishermen delivered 2,518 pounds of Open Access Norton Sound winter red king crab to NSSP during the quarter.

**Community Breakdown:** 4 fishermen from Nome  
1 fisherman from Elim  
1 fisherman from St. Michael

Three fishermen delivered 1,174 pounds of CDQ red king crab to NSSP during the quarter.

**Community Breakdown:** 3 fishermen from Nome

Six fishermen delivered 4,957 pounds of Norton Sound salmon to NSSP during the quarter.

**Community Breakdown:** 6 fishermen from Elim

Thirty-one fishermen delivered 1,375,554 pounds of Norton Sound sac roe and bait herring to NSSP during the quarter.

**Community Breakdown:** 16 fishermen from Unalakleet  
6 fishermen from Shaktoolik  
2 fishermen from Anchorage  
2 fishermen from Elim  
2 fishermen from Stebbins  
1 fisherman from Naknek  
1 fisherman from Nome  
1 fisherman from St. Michael

**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 twenty-one internship positions sponsored by NSEDC during the second quarter.

**Community Breakdown:** 9 interns from Nome  
8 interns from Unalakleet  
2 interns from Shaktoolik  
2 interns from White Mountain

**Training Data Form**

**Table 2  
TRAINING DATA FORM  
April 1 through June 30, 2010**

	Quarter		Year-to-Date	
	People	Expenditures	People	Expenditures
<b>Scholarships</b>				
Post-Secondary	19	\$35,910.50	135	\$261,799.50
Vocational	20	\$40,000.00	34	\$68,000.00
<b>Voc-Tech</b>				
Basic	0	\$0.00	0	\$0.00
Advanced	0	\$0.00	0	\$0.00
<b>Other Training</b>				
Fisheries Related	8	\$16,107.00	24	\$54,894.56
CDQ Staff	0	\$0.00	0	\$0.00
CDQ Board	0	\$0.00	0	\$0.00
Other	40	\$12,604.00	43	\$16,216.91
<b>TOTAL</b>	<b>87</b>	<b>\$104,621.50</b>	<b>236</b>	<b>\$400,910.97</b>

**Training Summary**

Thirty-nine students received funding for post-secondary and vocational education in the second quarter. Five residents attended an IMI Refrigeration course held in Sitka in April. Three residents participated in an Operator of Uninspected Passenger Vessels (OUPV) licensing class at the Alaska Nautical Training School in Anchorage in April. NSEDC sponsored instructors for a Traditional Wood Carving class with seven attendees in Koyuk, a distance education Qawairaq Inupiaq Language class with eleven participants through UAF Northwest Campus, a Cardiopulmonary Resuscitation (CPR) class with seven attendees in Unalakleet, and fifteen attendees were given the opportunity to take a Hazardous Waste Operations and Emergency Response class in White Mountain during the quarter.



## **I. Administration**

### **A. Board Activities**

#### **Board of Director Meetings**

The NSEDC Board of Directors held its 2009 first quarter meetings in Unalakleet, Alaska April 26 – 29, 2010.

The NSEDC Board of Directors held a special meeting in Anchorage, Alaska June 4, 2010.

#### **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 reviewed and approved the 2010 Outside Entity Funding community proposals as recommended by the Community Review Committees and staff. Those communities that did not utilize all of their allotted funding for 2010 have the opportunity to roll those funds forward for use in 2011 and 2012.
- The Board reviewed the 2010 Outside Entity Funding regional entity proposals as recommended by staff.
- The Board reviewed and approved changes to the Employee Health Insurance Plan as recommended by staff.
- The Board reviewed and approved changes to the Loan Program Policies as recommended by staff. The changes include an increase to the Revolving Loan Program cap to coincide with the increase to the Individual Loan Program cap approved at a prior meeting.
- The Board adopted Corporate Resolution 10-03 approving the dissolution of the NSEDC Education Foundation.

## II. Harvesting Report

### A. CDQ Harvest Management

During the second quarter of 2010, NSEDC conducted a number of CDQ fishing activities including the directed harvest of pollock, Pacific cod, Atka mackerel/Pacific Ocean Perch, sablefish, and Norton Sound red king crab.

#### Pollock

The *F/V Alaska Ocean (AO)* and *F/V Pacific Glacier (PG)* fully prosecuted the A or roe season NSEDC pollock fishery during the first quarter. The B season pollock fishery commenced on June 10<sup>th</sup> with the *AO* and *PG* harvesting both CDQ and open access quota pollock. As of early July, these vessels have harvested 3,008 metric tons of CDQ pollock in the B season fishery.

#### Pacific Cod

The *F/V Norton Sound (NS)* harvested just a few tons of CDQ cod in early April to finish off the A season harvest. The B season cod fishery commenced on June 10<sup>th</sup>. The *NS* and the *F/V Glacier Bay (GB)* have been retired from fishing CDQ cod on behalf of NSEDC as the vessels are currently for sale and unavailable for harvest. The *NS* co-op quota has been sold to Aleutian Spray Fisheries and the *GB* co-op quota has been sold to Siu Alaska Corporation.

NSEDC has entered into a harvesting agreement with Alaska Leader Fisheries (ALF) for harvesting CDQ cod in the B season this year. The primary vessel will be the *F/V Bering Leader* while the *F/V Bristol Leader* and *F/V Alaska Leader* will be used as needed. ALF and these vessels are fifty percent owned by Bristol Bay Economic Development Corporation.

#### Atka Mackerel/Pacific Ocean Perch

The *F/V Seafreeze Alaska (SFA)* harvested approximately 398 metric tons of CDQ Atka mackerel in the central Aleutian Island management area (542), approximately 15 metric tons of mackerel in the western area (543) and 27 metric tons of Pacific Ocean perch (POP) on behalf of NSEDC during the second quarter. Bycatch of other CDQ species in this target fishery was low.

The *SFA* will resume the directed fishery for CDQ mackerel and POP during the third quarter.

#### Yellowfin Sole, Flathead Sole and Rock Sole

There was no directed harvest of CDQ flatfish (rock sole, yellowfin sole and flathead sole) during the second quarter. The harvest of these flatfish quotas continues to be unlikely due to the high levels of total allowable catch in the open access fisheries.

### **Arrowtooth Flounder/Greenland Turbot**

There was no directed harvest of CDQ Arrowtooth flounder/Greenland turbot during the second quarter. NSEDC and US Seafoods with the vessel *F/V Ocean Alaska (OA)* may commence CDQ harvesting operations in this target fishery in August/September.

### **Sablefish**

The *F/V Ballyhoo* harvested the entire directed quota (48.41 metric tons or 106,733 round pounds) of CDQ sablefish in the Bering Sea during the second quarter.

The *F/V Cynosure*, a newly constructed hook and line/pot vessel, got a later start than expected and harvested only 7.682 metric tons (approximately 16,936 round pounds) of CDQ sablefish in the Aleutian Islands during the second quarter. Fishing will resume in the third quarter.

### **Halibut**

There was no directed harvest of CDQ halibut in Area 4D/E during the second quarter. The entire quota (146,250 pounds) is being made available for the local Norton Sound region fisheries.

### **Bering Sea Opilio Crab**

There was no harvest of CDQ opilio crab during the second quarter. The 2010-2011 fishing season opens on October 15<sup>th</sup> but the harvest of NSEDC quota will not likely occur until January 2011.

### **Norton Sound Red King Crab**

The harvest of CDQ Norton Sound red king crab commenced on June 28<sup>th</sup> with a harvest of roughly 2,000 pounds of crab in the second quarter.

The entire CDQ quota of red king crab in Norton Sound (30,000 pounds) is available for harvest by local fishermen. NSEDC made arrangements with Yukon Delta Fisheries Development Association to transfer quota to NSEDC.

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

There was no harvest of CDQ Bristol Bay red king crab during the quarter. The 2010-2011 fishing season opens October 15<sup>th</sup>.

### **Eastern Aleutian Islands Golden King Crab**

There was no harvest of CDQ golden king crab during the second quarter. The 2010-2011 fishing season opens on August 15<sup>th</sup>.

### **St. Matthew Blue King Crab**

There was no harvest of CDQ St. Matthew blue king crab during the quarter. The 2010-2011 fishing season opens October 15<sup>th</sup>.

### **Bering Sea Bairdi Crab**

There was no harvest of CDQ bairdi crab during the quarter. The 2010-2011 bairdi crab fishery opens on October 15<sup>th</sup>.

## **B. IFQ Harvest Management**

During the second quarter, NSEDC managed fishing operations and harvest of individual fishing quotas (IFQs) in the sablefish, Bering Sea opilio crab and Aleutian Islands golden king crab fisheries.

### **Sablefish**

NSEDC contracted vessels harvested 176,711 pounds of sablefish IFQ during the second quarter including 81,886 pounds of IFQ in the central gulf harvested by the *F/V Provider* and *F/V Clipper Express (CE)*; 47,747 pounds of IFQ in the western gulf harvested by the *CE*; and 47,078 pounds in the Aleutian Islands by the *F/V Glacier Bay*, *F/V Norton Sound*, *F/V Frontier Mariner* and *F/V Frontier Explorer*. The remaining 45,000 pounds of IFQ in the central gulf and Bering Sea will be harvested during the third quarter.

Ex-vessel prices and FOB product values continue to be very strong for sablefish.

### **Halibut**

There was no harvest of IFQ halibut during the quarter. Vessels under contract to FWAS will harvest the 3B halibut quota of 27,071 pounds beginning in the third quarter.

### **Bering Sea Opilio Crab**

The remaining 230,207 pounds of opilio IFQ crab quota was harvested by the *F/V Fierce Allegiance* (140,301 pounds) and the *F/V Bristol Mariner* (90,401 pounds) during the second quarter. The *Bristol Mariner* delivered the crab to Alyeska Seafoods in Dutch Harbor under a processing agreement with NSEDC.

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

There was no harvest of IFQ red king crab in the Bristol Bay fishery during the quarter. The 2010-2011 fishing season opens on October 15<sup>th</sup>.

### **Aleutian Islands Golden King Crab**

The *F/V Aleutian No. 1* harvested the remaining IFQ WAG quota (181,747 pounds) from WAG-U A shares, WAG B shares, and WAG-W A shares during the second quarter. This brown crab was delivered to Westward Seafoods under a custom processing arrangement with Aleutian Pribilof Island Community Development Association.

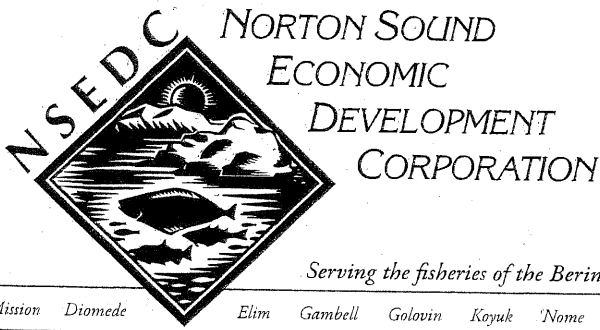
### **Bering Sea Bairdi Crab**

There was no harvest of IFQ bairdi crab during the first quarter. The 2010-2011 fishing season opens October 15<sup>th</sup>.

**III. Board of Directors April 1 – June 30 Meeting Minutes (Attachments 1 - 2)**

ATTACHMENT 1

2010 First Quarter Meeting Minutes



*Serving the fisheries of the Bering Strait Region*

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

**Norton Sound Economic Development Corporation  
First Quarter Board of Directors Meeting  
Bering Strait School District Conference Room  
April 28 & 29, 2010  
9:00 a.m.**

**CALL TO ORDER**

Chairman Harrelson called the NSEDC 2010 First Quarter Board Meeting to order at 9:00 a.m.

**ROLL CALL**

Present at the meeting were Dan Harrelson, Don Stiles, Dean Peterson, Joel James, Harvey Sookiayak, Joe Garnie, Reggie Barr, Truman Kava, Frank Oxereok Jr., Frank Katchatag, Elvina Naranjo, Victor Joe, and Oscar Takak. Orville Ahkinga Jr. and Wilfred Katcheak were absent and excused. Staff present were: Janis Ivanoff, Simon Kinneen, John Eckels, Rick Walicki, Galsy Ashenfelter, Roy Ashenfelter, Charlie Lean, Paul Ivanoff III, William Johnson, Virginia Nashalook, Kyan Olanna, Kathy Wheelahan, and Jerry Ivanoff. Public present were John Wilson and Darrin Otten.

**INVOCATION**

Harvey Sookiayak gave the invocation.

**APPROVAL OF AGENDA**

An executive session was added during the Fisheries Development Committee report for a herring update. The Siu Alaska Corporation report will be discussed in executive session. "Personnel issues" was added as an item under old business during executive session after 2010 Outside Entity Funding.

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

**APPROVAL OF MINUTES**

*Harvey Sookiayak made a motion to approve the minutes of February 4 & 5, 2010 and March 26, 2010 as a block. Oscar Takak seconded the motion. The motion passed unanimously.*

**PUBLIC COMMENTS**

Jim Hickerson, BSSD Superintendent, welcomed the board. He stated that he would do anything to support the board. He thanked the board for the NACTEC Support, for the scholarships, employment opportunities, and community projects like the boat ramp. He encourages NSEDC to keep up the good work and he appreciates our partnership. He stated that they would like to make NACTEC available to the board for anything. "Thank you!"

Chairman Harrelson voiced his appreciation for the good work Superintendent Hickerson has given to the region over the years and wished him well during his retirement.

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

## **PRESIDENT'S REPORT – Dan Harrelson**

NSEDC President Dan Harrelson gave the President's Report and encouraged discussion during the scheduled executive session.

## **CEO's REPORT- Janis Ivanoff**

NSEDC CEO Janis Ivanoff gave the CEO's Report. Janis went over the 2009 NSEDC Audit, the CDQ Panel salmon bycatch program, the 2011 NPFMC meeting in Nome, and the Nome office remodel.

Don Stiles asked for clarification on the representative on the Pilgrim Hot Springs. Janis noted that this would be discussed under Pilgrim Hot Springs later in the agenda.

Jeff Erickson walked in at 9:07 a.m. Laurie McNicholas joined the meeting at 9:15 a.m.

## **FINANCIALS/INVESTMENT PORTFOLIO**

Rick Walicki gave the NSEDC Financials/Investment Portfolio report.

## **SIU ALASKA CORPORATION REPORT – John Eckels**

John Eckels gave a Siu Alaska Corporation overview of operations. He went over the plan for the Aleutian #1, prices for crab, the Pacific Star, and Glacier Fish Company operations. John reported that roe prices for pollock are down about 30% from last year. He went over the 2010 pollock Total Allowable Catch for 2010. Chairman Harrelson asked about the possible buyback of the F/V Norton Sound and approximately how much Siu may receive from that deal. John stated it would be about \$3 million.

Tim Towarak peeked in at 9:26 a.m.

The Board took a ten minute break at 9:34 a.m. The meeting reconvened at 9:46 a.m.

## **MANAGERS REPORTS**

### CDQ Management-Jon Zuck (Simon Kinneen)

Simon Kinneen gave an overview of the points made in the written CDQ Management Report, which included a summary of all CDQ harvest activities and IFQ harvest activities by species.

### Southern and Northern NSSP

#### William Johnson-Operations Plan

William "Middy" Johnson went over the Southern NSSP Report and Operations Plan. He noted that the gear has been ordered for herring, but voiced his concern on the amount of ice in the Norton Sound. Middy went over the plan to buy pink, chums, and coho salmon. He informed the board on the Norton Sound Fishermen's Meetings. He stated that he would showcase some of the products of our salmon. Don Stiles asked for clarification on the crane, Middy stated it was budgeted for \$200,000. Chairman Harrelson asked if NSEDC would have a herring bait fishery, if Icicle does not make it up. Middy stated that this was so. Harvey asked if Middy would take care of everybody with gear and tendering service for herring. Janis noted the comment made during the NSSP Working Group meeting about support for subsistence fishermen in our communities. Chairman Harrelson said that Middy gave him a tour of the plant yesterday and noted the need for a storage facility and a new engine on the trailer. Frank Katchatag asked about rollers for the trailer.

Charles Degnan walked in at 9:56 a.m.



## Rich Ferry-Operations Plan

Rich Ferry, via teleconference, presented the Northern NSSP Report and Operations Plan. Rich reported on purchasing winter crab from the southern communities, but stated that, except for Elim, NSSP did not receive crab from these communities. Rich went over the retail market for halibut and crab within the region, tender vessel operations plan. Crystal Taxac resignation and advertising for a NSSP Plant Manager. Joe Garnie asked Rich about the amount of bait needed for the Nome Crab Operation. Rich informed him that NSSP would need about 100,000 to 150,000 pounds of herring for bait. Rich gave an update on the availability of crab and halibut inventory. Chairman Harrelson voiced his concern about the need to employ someone to handle facilities maintenance. Rich stated that he is still in the process of hiring a NSSP Office Manager, a NSSP Assistant Manager, and a refrigeration person. Chairman Harrelson asked Rich if NSEDC needed to train someone in refrigeration as we did with Bruce Johnson and Frank Doty. Rich stated that NSSP does have a need to send someone to refrigeration training. Chairman Harrelson recommended having an intern work with this season's refrigeration person. Don Stiles asked about the oil-fired water heater that was intended to lower the overhead costs of the Northern NSSP and whether this unit was installed and being used. Rich stated that the oil-fired water heater was not installed due to the difficulty in finding someone qualified to install and maintain the system. Harvey asked how the sale of our products was doing in NSEDC's villages. Rich stated that this was moving more slowly than he hoped, due in part to lack of freezer space for our products in some communities and general lack of local interest in buying halibut. Chairman Harrelson asked Rich to inform the board on the market this season for halibut and crab. Rich provided a quick overview. Janis noted that NSEDC has three general markets for crab: local, Alaskan, and outside of Alaska.

Chairman Harrelson noted the written reports provided in the packet.

## Written Reports

### Community Benefits Department – Paul Ivanoff

Don Stiles asked for an anticipated completion of the wind to thermal project.

A discussion was held on the quality of the wind turbine from a company in Florida, the possible fix for this program, and partnering with UAF. Janis noted that she, Paul, and Yvonne presented the bulk fuel program to APICDA. Under the community energy fund, Don Stiles asked if there were any applications. The City of Nome is closest to applying. Paul said other communities have voiced their interest to access these funds. Don Stiles pointed out that the energy fund program came about with the contribution to Unalakleet for their wind turbines. Don Stiles noted that NSEDC offered the energy funds to Unalakleet with a credit requirement and questioned if the NSEDC should reconsider this as other communities are not asked for this credit. Paul went over the savings of over \$75,000 for Unalakleet since November. A credit has not been given to NSSP as of now. Chairman Harrelson asked about the annual review at the end of October 2010. Don Stiles was interested to see the amount of credit that would have been provided to the plant in Unalakleet. Don further asked for clarification on the additional savings in fuel. Once the generators are modified the savings should be more.

Wes Jones joined the meeting at 10:28 a.m.

### EET Department – Jerry Ivanoff

Chairman Harrelson asked about the welding training for the five communities receiving the welders and the status of this welding training. Jerry informed the board that it is on hold due to

some renovations required by the Alaska Fire Marshal before they signed off on the Marine Support Facility. Chairman Harrelson asked about the availability of training aluminum welders in these five communities. Janis Ivanoff mentioned that the welders have been ordered. Each participating community must decide who will own and maintain the welder, so they will decide who will be trained. Each community must submit an operation plan for each welder. Jerry thanked the board for their support of the scholarship program with all of the \$600,000 spent last year and anticipated \$650,000 to be awarded this year.

HR Department – Camille Cruz (written report)

*Don Stiles moved, seconded by Harvey Sookiayak, to begin the evaluation process for the Chief Executive Officer, utilizing a 360 degree evaluation process and having our legal counsel begin an investigation into that and actually hiring an outside firm to conduct that process. Question was called. The motion passed unanimously.*

NSFR&D – Charlie Lean

Charlie went over the watershed alliance, noting that Golovin and White Mountain have formed their own organization. Other communities are interested also.

Chairman Harrelson asked about the Northern Bering Sea survey work. Charlie informed him on the research plan to look at what species are present in Northern Bering Sea. Chairman Harrelson voiced the concern of Norton Sound residents of open trawl fishing in the region.

Charlie noted that some critical habitat, like the closure around St. Lawrence Island, has already been closed to fishing. Also the surveys are about climate change and the availability of fish, which are suspected to be moving north and their commercial availability there. Charlie stated that the timing for this research project in Northern Bering Sea is such that it will not affect our marine mammal hunting and the area is small in size. Wes Jones further noted that the trawl used for survey work is small when compared to commercial trawls, so he anticipates very little impact in the region. Chairman Harrelson asked if this research trawl survey is not intended to open up our area for commercial fishing. Simon Kinneen informed the board on the research plan. Reggie Barr noted that discussion at the NPFMC meetings makes it sound like industry is interested in opening the commercial fishery further north. Charlie Lean informed the board that they are requesting to move north to St. Matthews Island, but crab pot fishing and pollock trawl fishing are not compatible.

Herbert Ivanoff joined the meeting at 10:50 a.m.

We took a break at 11:02 a.m. The meeting reconvened at 11:17 a.m.

## **COMMITTEE REPORTS**

Executive Committee Report

Chairman Harrelson gave the NSEDC Executive Committee Report.

*Oscar Takak made a motion to approve the NSEDC Executive Committee Recommendations. Frank Oxereok Jr. seconded the motion. Chairman Harrelson noted the cost savings of the new health plan. The motion passed unanimously.*

Scholarship Committee Report

Chairman Joe gave the NSEDC Scholarship Committee Report.

*Reggie Barr made a motion to approve the NSEDC Scholarship Committee Report. Joe Garnie seconded the motion. Harvey Sookiayak recommended excluding scholarship applicants' names in the future. The motion passed unanimously.*

Rules & Bylaws Committee Report

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

Fisheries Development Committee Report

Chairman Takak gave the NSEDC Fisheries Development Committee Report.

*Don Stiles made a motion to approve the NSEDC Fisheries Development Report. Harvey Sookiayak seconded the motion. The motion passed unanimously.*

Finance Committee Report

Chairman Harrelson gave the NSEDC Finance Committee Report.

*Oscar Takak made a motion to approve the NSEDC Finance Committee Report with its recommendations. Elvina Naranjo seconded the motion. The motion passed unanimously.*

NSSP Working Group

Chairman Takak gave the NSSP Working Group Report. Chairman Harrelson asked about the \$5,000 for the Unalakleet Trailer and \$1000 for the Golovin Trailer.

*Dean Peterson made a motion to approve the NSSP Working Group Report with its recommendations and to include the boat trailer expenses of Unalakleet and Golovin. Frank Katchatag seconded the motion. Under discussion, Joe Garnie mentioned the need for minor repairs of their boat trailer. Harvey Sookiayak recommended providing Teller with a smaller trailer. Joe stated that one is too big, but it works. The motion passed as stated.*

The board took lunch break at 11:55 a.m. The meeting reconvened at 1:00 p.m.

**OLD BUSINESS**

*Oscar Takak made a motion to go into executive session at 1:01 p.m. to go over the herring update, a NSEDC Education Foundation Update, the Pilgrim Hot Springs Update, the Election Lawsuit Update, Siu Alaska Corporation Report, and personnel issues. Don Stiles seconded the motion. Don Stiles asked about the President's Report. This was added to the executive session. The motion passed unanimously.*

*Frank Oxereok Jr. made a motion to return to regular session at 2:59 p.m. Oscar Takak seconded the motion. The motion passed unanimously.*

The board took a break at 2:59 p.m. The meeting reconvened at 3:10 p.m.

Chairman Harrelson asked the Board of their interest in attending the Kawerak Fisheries Summit next week. Frank Katchatag, Elvina Naranjo, Joel James, Truman Kava, and Reggie Barr expressed their interest.

*Harvey Sookiayak made a motion to follow the staff recommendation on pricing with \$75 per ton for herring bait and \$200 per ton for ten percent on a sliding scale. Elvina Naranjo seconded the motion. The motion passed unanimously.*

*Don Stiles made a motion to follow the recommendation of the Community Benefits Department regarding personnel issues. Dean Peterson seconded the motion. The motion passed unanimously.*

## **NEW BUSINESS**

NSEDC CEO Janis Ivanoff turned the floor over to Paul Ivanoff III and Yvonne Ashenfelter. Yvonne reminded the board of the OEF process and the amount of funds available for this program, \$60,000 for each community. Janis went over the applications received to date in detail. For the communities that have not submitted an application, the funds will be rolled over to next year. Chairman Harrelson noted that each applicant was eligible for this program.

### 2010 Outside Entity Funding

#### Community Funding

*Don Stiles made a motion to follow the recommendation of the Community Review Committees and the staff. Oscar Takak seconded the motion. Under discussion, Dean Peterson spoke to the application submitted by Golovin and suggested that it be approved up to \$16,000 noting that it is replicating a similar project in Nome and the rest of the Board agreed. Chairman Harrelson asked about the roll over for communities that did not utilize all of the funds this year. Janis informed him that those funds could also be rolled over to next year. Don Stiles noted that one of the applications seemed more regional in nature. Chairman Harrelson stated that this could be addressed under the regional entity funding. He also commended staff for their work on this program. The motion passed unanimously.*

#### Regional Entity Funding (REF)

Paul Ivanoff III went over the Bering Straits Health Consortium Program and their request of \$150,000 to go towards entirely funding education expenses for four nurses. Paul noted matching funds from Kawerak of \$45,000 and the match from NSHC Nurses' Program for two semesters. He also pointed out that the total for the two REF requests exceeds the amount available in the OEF program.

Chairman Harrelson noted that the NSHC had a scholarship program in the past, which funded 100% of the education of students in the medical field. Paul was aware of this program, but didn't know what happened to their funding. Don Stiles asked about the difference in housing costs. Paul stated that two students are married with children and two students are single. Don didn't feel it is fair to fund a few nurses' entire education when we have nine NSEDC scholarship applicants working towards their degrees in 2010 that have had to support themselves with the help of scholarships.

Chairman Harrelson brought up the request for \$198,587 from the Nome Native Arts Center for web site development and inventory. He asked if NSEDC has funded general administration in the past. Janis noted that NSEDC has not. Don Stiles felt that not all the expenditures listed relate to website development. He could see how the digital camera for \$5,000 is clearly related. A representative from the NNAC held meetings in Gambell, Savoonga, Teller and Brevig Mission. Chairman Harrelson asked for input from those community's board members. Reggie Barr said they were looking for artists and had questioned what people can produce. Joe Garnie was surprised at the turnout in Teller and stated that people were interested. Truman Kava and

Joel James did not attend the meetings held in their communities. There was concern about the affect this sizable donation would have on similar local businesses. Joe Garnie liked the idea of the Nome Native Arts Center, he felt our artists would be treated with dignity and it would help to sell their products. Chairman Harrelson noted that NSEDC provided this organization with \$20,000 recently and felt the cost should be spread among regional organizations. His concern, under this proposal, is that most of the money won't be filtered into the communities. He asked how the Board wanted to divide the Regional Entity Funds. After discussion, Chairman Harrelson recommended staff work with the NNAC to develop a project specific proposal that the Board could consider funding.

*Dean Peterson made a motion to move forward on directing staff to ask the Nome Native Arts Center to submit a funding proposal which would be specific to website development and the Board would review the application and decide at a future meeting to fund or not fund the proposal. Reggie Barr seconded the motion. The motion passed 12-1.*

## **PUBLIC COMMENTS**

Don Stiles noted the written comments mailed in from the Unalakleet Wrestling Team Coaches, the BSSD, Alaska Legal Services Corporation, and the certificate of appreciation from whaling captains, a thank you letter from Unalakleet, and a thank you from the Native Village of Koyuk.

## **BOARD COMMENTS**

Harvey Sookiayak thanked the staff for their hard work and Unalakleet for the warm hospitality.

Frank Katchatag stated that Unalakleet welcomes the board.

Oscar Takak thanked Unalakleet for their fine hospitality, he likes it here.

Truman Kava thanked staff for this good meeting.

Frank Oxereok Jr. felt this was a good meeting and wished everyone a good spring.

Reggie Barr stated that he missed the public comments.

Elvina Naranjo thanked Unalakleet for their hospitality, staff for their hard work and stated that the communities will appreciate the funding for the OEF projects.

Dan Harrelson was glad we settled for Unalakleet for this meeting and noted that NSEDC needs to have at least one meeting in a member community other than Nome. He thanked Mayor William Johnson. Our July NSEDC Board Meeting will be in Nome. He thanked staff for their hard work and said to have a safe journey home.

## **ADJOURNMENT**

*Harvey Sookiayak made a motion to adjourn the NSEDC 2010 First Quarter Board Meeting at 3:55 p.m. on April 28, 2010. Oscar Takak seconded the motion. The motion passed unanimously.*

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Dan Harrelson, NSEDC Board Chairman

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Jerry Ivanoff, NSEDC Corporate Secretary

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Date

ATTACHMENT 2  
NSEDC Board of Directors  
Special Meeting Minutes  
June 4, 2010



**FILE COPY**

*Brevig Mission Diomedes 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  
June 4, 2010 9:00 a.m.**

**CALL TO ORDER**

Chairman Dan Harrelson called the NSEDC Special Board Meeting to order at 9:02 a.m. on June 4, 2010 at the Westmark Penthouse in Anchorage, Alaska.

**ROLL CALL**

Present at the meeting were Dan Harrelson, Don Stiles, Dean Peterson, Joel James, Harvey Sookiyak, Joe Garnie, Orville Ahkinga, Reggie Barr, Truman Kava, Frank Oxereok Jr., Frank Katchatag, Elvina Naranjo, Wilfred Katcheak, Victor Joe, and Oscar Takak. Orville Ahkinga was present via teleconference. Staff present were Janis Ivanoff, William Johnson, Rick Walicki, Virginia Nashalook, Kyan Olanna, Kathy Wheelehan, and Jerry Ivanoff. Public present were Steve Wadleigh and Tim Altman of Altman and Rogers.

**INVOCATION**

Harvey Sookiyak gave the invocation.

**WAIVER OF NOTICE OF MEETING**

*Frank Oxereok Jr. made a motion for the waiver of notice of meeting. Oscar Takak seconded the motion. The motion passed.*

**APPROVAL OF AGENDA**

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

**WAIVER OF APPROVAL OF MINUTES**

*Harvey Sookiyak made a motion to approve the waiver of minutes. Victor Joe seconded the motion. The motion passed.*

**OLD BUSINESS**

*Elvina Naranjo made a motion to go into executive session at 9:06 a.m. to go over the 2009 draft audit, the 2010 buyer negotiations, and the NSEDC Education Foundation. Oscar Takak seconded the motion. The motion passed.*

Joel Cladouhos joined the meeting at 9:10 a.m.

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

*Frank Oxereok Jr. made a motion to return to regular session at 12:00 noon. Harvey Sookiayak seconded the motion. The motion passed.*

The Board took lunch break at noon.

The meeting reconvened at 1:32 p.m. For the record, all the board members were present except Orville Ahkinga, who was excused telephonically.

*Frank Oxereok Jr. made a motion to accept the 2009 NSEDC Audit as presented by Altman and Rogers. Oscar Takak seconded the motion. The motion passed.*

*Dean Peterson made a motion to approve NSEDC Resolution 09-03 to dissolve the NSEDC Education Foundation. Elvina Naranjo seconded the motion.*

Under discussion, Harvey Sookiayak asked if this would be effective immediately. NSEDC CEO Janis Ivanoff informed him of the timeframe to implement this motion.

*The motion passed.*

## **NEW BUSINESS**

### Finance Committee Report

Chairman Harrelson gave the NSEDC Special Finance Committee Report. He clarified the increase from \$820,000 to \$1,000,000 is for the Revolving Loan program availability, it is not a loan authorization. NSEDC CEO Janis Ivanoff explained that the Finance Committee requested an opportunity during a workshop to review the loan program and investment policies. She listed all of the policies provided in the Board's packets and stated that the amendments provided include recommendations from staff and subsequent recommendations from the Finance Committee. She summarized the new Property Disposition policy.

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

Under discussion, Don Stiles explained that revolving loan program cap increase was suggested to ensure there are enough funds to cover anticipated loans after the Board approved the individual loan increase from \$16,000.00 to \$25,000.00. Virginia Nashalook asked for clarification on the guidelines of the revolving loan program and what is allowed under refinancing. Financing for repowering or extraordinary repairs would be allowed. Examples of what would not be approved were navigational improvements or boat lengthening. Another change Chairman Harrelson pointed out was the ability to access the loan program only if their existing loan is paid off, they can have only one vessel loan at a time. Frank Oxereok Jr. asked about using a vessel, which is financed through NSEDC, as collateral for a second or third loan. Chairman Harrelson clarified the vessel could be used as collateral for a loan to fix up the same vessel but it could not be used as collateral to purchase another vessel. Chairman Harrelson noted that the board wished to stay away from loans for snowmachines for winter crabbing.

*The motion passed.*



Chairman Harrelson brought up the proposal from the Growth Company for the NSEDC CEO Evaluation. The board opted to wait for all the proposals to come in. Chairman Harrelson stated that the evaluation is not due until November.

NSEDC Chairman Dan Harrelson brought up the request of NSEDC Board Member Frank Katchatag to provide \$1,000.00 for our member communities' cleanups. NSEDC CEO Janis Ivanoff noted that we can approve up to \$1,000.00 to our member communities that request it. Elvina Naranjo asked for examples of how the \$1,000.00 could be spent with the village cleanup.

Joe Garnie brought up the Nome Fishermen's Meeting. He would have liked to have been notified so he could attend.

Final comments

Wilfred Katcheak stated that this was a good meeting.

Frank Katchatag also felt that this was a good meeting and \$1,000.00 will help the village cleanup.

Elvina Naranjo, Joel James, Dean Peterson, Don Stiles, Reggie Barr, Joe Garnie and Truman Kava had no comment.

Victor Joe stated that he has one less worry on the NSEDC Education Foundation.

Frank Oxereok stated that communication is very important for us to move forward.

Oscar Takak thanked the board for the \$1,000 for the community cleanups.

Harvey Sookiayak thanked Janis for her work.

Chairman Dan Harrelson noted the work of the Norton Sound Health Corporation with the flotation jacket program and its availability in our villages.

NSEDC CEO Janis Ivanoff noted the NSHC Float Coat Program and thanked the board for their input to move our corporation in a positive direction.

## **ADJOURNMENT**

*Oscar Takak made a motion to adjourn the NSEDC Special Board Meeting of June 4, 2010 at 2:02 p.m. Frank Oxereok Jr. seconded the motion. The motion passed.*