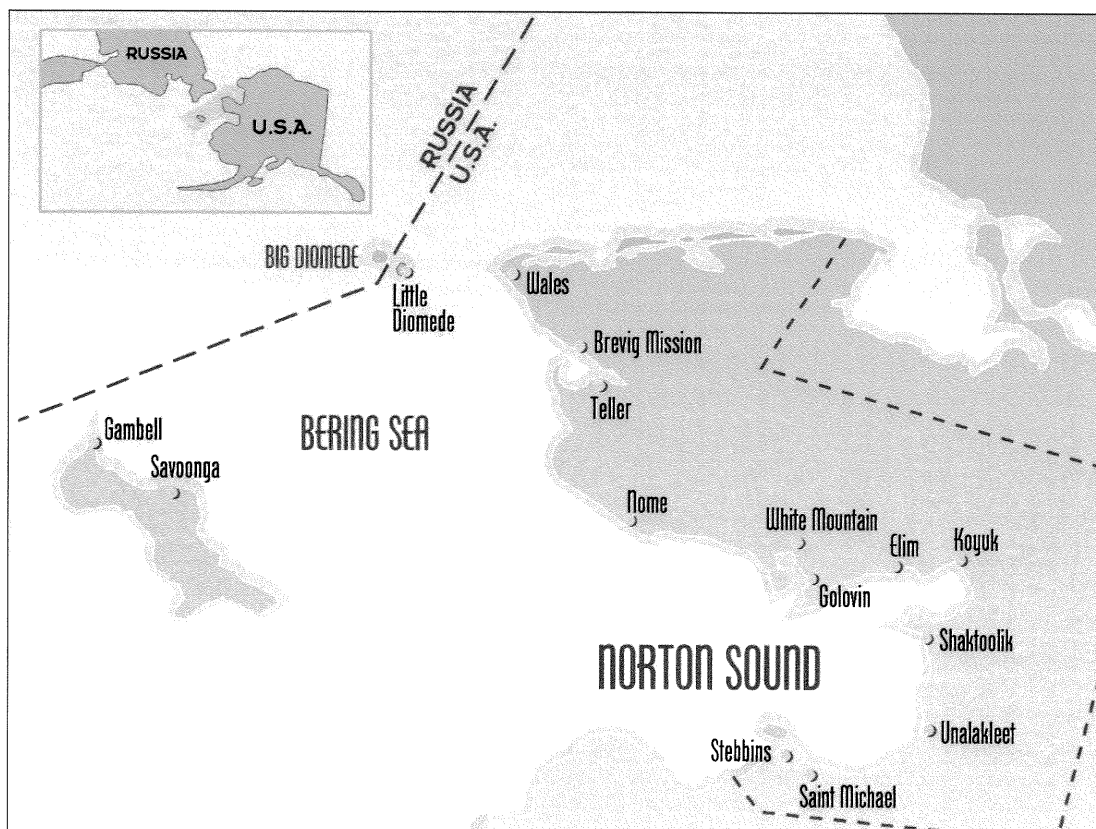


FOR DISTRIBUTION

## 2010 THIRD QUARTER REPORT

July 1 – September 30, 2010



### NORTON SOUND ECONOMIC DEVELOPMENT CORPORATION

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## **I. Quarterly Highlights**

- The NSEDC Board of Directors held a special meeting via teleconference on July 22, 2010.
- The NSEDC Board of Directors held its 2010 second quarter meetings in Nome, Alaska August 5 – 6, 2010.
- The NSEDC Board of Directors held a special meeting in Anchorage, Alaska September 30, 2010.
- One hundred sixty-six residents were awarded scholarships totaling \$329,000.
- NSEDC sponsored a Search and Rescue First Aid Class in St. Michael.
- NSEDC sponsored a Community Welding Cart Orientation class for representatives from the cities of White Mountain, Elim, the City of Koyuk, Golovin, Teller, Savoonga, and Gambell.
- Fifty-four summer interns were hired by NSEDC and placed throughout NSEDC operations.
- Sixteen residents of NSEDC member communities and other Alaska communities worked on the *F/V Pacific Glacier* and the *F/V Alaska Ocean* earning a total of \$266,723 in wages.
- Twenty-two fishermen delivered 357,124 pounds of Open Access Norton Sound red king crab to NSSP receiving an ex-vessel total of \$1,325,278 for their harvests.
- Seven fishermen delivered 29,392 pounds of CDQ red king crab to NSSP receiving an ex-vessel total of \$110,808 for their harvests.
- One hundred thirteen fishermen delivered 211,742 pounds of Norton Sound salmon to NSSP receiving an ex-vessel total of \$1,217,217 for their harvests.
- A total of 103,069 pounds of halibut was caught between the Nome and Savoonga plants during the quarter. Seven fishermen delivered 47,670 pounds to NSSP in Nome and twelve fishermen delivered 55,399 pounds to the Savoonga plant. The fishermen received \$385,990 for their harvests.
- Four fishermen delivered 5,621 pounds of Norton Sound cod to NSSP receiving an ex-vessel total of \$3,595 for their harvests.
- In July, Darlene Dewey was hired as an accounting assistant. Darlene will be working at the NSEDC offices in Anchorage.
- NSFR&D conducted Clean Waters Program operations in Diomedes, Elim, Koyuk, Teller, and Wales. In 2010, 51 tons of debris was removed through the program.
- 2,565,681 gallons of heating fuel and 874,270 gallons of gasoline purchased through NSEDC's Consolidated Bulk Fuel Program was delivered to twenty-six program participants throughout the quarter.
- The following applicants were selected as the 2010 Small Business Initiative grant awardees: AK Body, Coffey Shop, Iníniaguktunja, Little Store, Triple Creek Fabrication & Repair, and Little Tikes Childcare. In total, awardees received \$105,000.
- NSEDC distributed its 2009 Annual Report to all NSEDC member community box holders in July.
- The NSEDC Board of Directors held an Education Employment and Training Workshop in Anchorage, Alaska September 29 – 30, 2010.

## **A. Outreach**

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

- The NSEDC Board of Directors held its 2010 second quarter meetings in Nome August 5 – 6, 2010; these meetings were open to the public.
- NSEDC Board of Directors notified residents of the 2010 second quarter meetings by placing an ad in The Nome Nugget.
- NSEDC placed eight newspaper advertisements during the quarter.
- NSEDC staff presented information about NSEDC scholarships and vocational training at career fairs in Teller and Brevig Mission.
- NSEDC's NSFR&D staff gave presentations to Bering Straits School District, Nome Public Schools, and NACTEC.
- NSEDC's NSFR&D staff provided support for the climate change research and trawl survey conducted by the National Marine Fisheries Service (NMFS).
- NSEDC staff attended a community meeting hosted by NMFS in Nome, Alaska.
- The NSEDC Board of Directors held an Education Employment and Training Workshop in Anchorage, Alaska September 29 – 30, 2010.
- 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  
September 30, 2010

	Q1*		Q2*		Q3		Q4		Year-to-Date
	People	Wages	People	Wages	People	Wages	People	Wages	Wages
<b>Management/Administrative</b>									
NSEDG - In-region	10	\$ 187,371.69	10	\$ 192,217.48	10	\$ 198,766.12			\$ 578,355.29
NSEDG - Anchorage	13	\$ 216,086.85	13	\$ 221,640.40	13	\$ 228,133.39			\$ 665,860.64
NSSP - In-region	3	\$ 52,204.34	4	\$ 49,120.61	4	\$ 58,587.37			\$ 159,912.32
<b>Total Management/Administrative</b>	<b>26</b>	<b>\$ 455,662.88</b>	<b>27</b>	<b>\$ 462,978.49</b>	<b>27</b>	<b>\$ 485,486.88</b>			<b>\$ 1,404,128.25</b>
<b>CDQ Pollock Related</b>	<b>20</b>	<b>\$ 130,128.62</b>	<b>18</b>	<b>\$ 164,363.38</b>	<b>16</b>	<b>\$ 266,723.51</b>			<b>\$ 561,215.51</b>
<b>Total NSSP Employment</b>	<b>11</b>	<b>\$ 12,332.68</b>	<b>45</b>	<b>\$ 89,359.17</b>	<b>179</b>	<b>\$ 732,853.56</b>			<b>\$ 834,545.41</b>
<b>Other NSEDG Employment</b>									
Skippers, Deckhands, Shoreside, etc.	0	\$ -	10	\$ 59,399.38	82	\$ 603,327.49			\$ 662,726.87
<b>Total Other NSEDG Empl.</b>	<b>0</b>	<b>\$ -</b>	<b>10</b>	<b>\$ 59,399.38</b>	<b>82</b>	<b>\$ 603,327.49</b>			<b>\$ 662,726.87</b>
<b>Other Fishing</b>									
GFC - Longline	2	\$ 23,765.12	2	\$ 17,625.84	0	\$ -			\$ 41,390.96
Aleutian No. 1	1	\$ 14,000.00	1	\$ 17,000.00	0	\$ -			\$ 31,000.00
O/A Norton Sound Winter Red King Crab	9	\$ 26,940.55	6	\$ 8,813.00	0	\$ -			\$ 35,753.55
O/A Norton Sound Red King Crab	0	\$ -	0	\$ -	22	\$ 1,325,278.23			\$ 1,325,278.23
CDQ Red King Crab	0	\$ -	3	\$ 4,425.98	7	\$ 110,807.84			\$ 115,233.82
Norton Sound Salmon	0	\$ -	6	\$ 2,753.00	113	\$ 1,217,217.00			\$ 1,219,970.00
Norton Sound Herring	0	\$ -	31	\$ 185,721.64	0	\$ -			\$ 185,721.64
NSEDG CDQ Halibut	0	\$ -	0	\$ -	14	\$ 385,989.85			\$ 385,989.85
Norton Sound Cod	0	\$ -	0	\$ -	4	\$ 3,595.25			
<b>Total Other Fishing</b>	<b>12</b>	<b>\$ 64,705.67</b>	<b>49</b>	<b>\$ 236,339.46</b>	<b>160</b>	<b>\$ 3,042,888.17</b>			<b>\$ 3,343,933.30</b>
<b>NSEDG Community Outreach Liaisons</b>	<b>13</b>	<b>\$ 19,500.00</b>	<b>13</b>	<b>\$ 19,500.00</b>	<b>13</b>	<b>\$ 19,500.00</b>			<b>\$ 58,500.00</b>
<b>Interns</b>									
NSEDG Administration	0	\$ -	0	\$ -	3	\$ 8,960.48			\$ 8,960.48
NSEDG Salmon Rehab.	0	\$ -	7	\$ 12,216.17	15	\$ 109,064.01			\$ 121,280.18
Fisheries Development	0	\$ -	14	\$ 24,978.76	36	\$ 176,738.29			\$ 201,717.05
<b>Total Interns</b>	<b>0</b>	<b>\$ -</b>	<b>21</b>	<b>\$ 37,194.93</b>	<b>54</b>	<b>\$ 294,762.78</b>			<b>\$ 331,957.71</b>
<b>GRAND TOTALS</b>	<b>82</b>	<b>\$ 662,829.85</b>	<b>183</b>	<b>\$ 1,069,134.81</b>	<b>531</b>	<b>\$ 5,445,542.39</b>			<b>\$ 7,197,007.05</b>
<b>NSEDG =</b>	<b>36</b>	<b>\$ 422,958.54</b>	<b>67</b>	<b>\$ 529,952.19</b>	<b>172</b>	<b>\$ 1,344,489.78</b>			<b>\$ 2,297,400.51</b>
<b>NSSP =</b>	<b>23</b>	<b>\$ 91,477.57</b>	<b>95</b>	<b>\$ 340,193.40</b>	<b>339</b>	<b>\$ 3,830,733.85</b>			<b>\$ 4,262,404.82</b>
<b>Partners =</b>	<b>23</b>	<b>\$ 167,893.74</b>	<b>21</b>	<b>\$ 198,989.22</b>	<b>16</b>	<b>\$ 266,723.51</b>			<b>\$ 633,606.47</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 sixteen 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:**

- 4 employees from Unalakleet
- 3 employees from Shaktoolik
- 2 employees from Kaltag
- 2 employees from Stebbins
- 1 employee from Anchorage
- 1 employee from Elim
- 1 employee from Koyuk
- 1 employee from Nome
- 1 employee from St. Michael

**NSSP Employment** – One hundred seventy-nine residents of Norton Sound or other Alaska communities were employed during the quarter.

**Community Breakdown:**

- 83 employees from Unalakleet
- 45 employees from Nome
- 14 employees from Elim
- 14 employees from Savoonga
- 9 employees from Anchorage
- 5 employees from St. Michael
- 2 employees from Kotlik
- 2 employees from Stebbins
- 1 employee from Gambell
- 1 employee from Newtok
- 1 employee from Shaktoolik
- 1 employee from Teller
- 1 employee from Wasilla

**Other NSEDC Employment** – Eighty-two residents of Norton Sound or other communities were employed during the quarter.

**Community Breakdown:** 12 employees from Diomede  
12 employees from Elim  
12 employees from Koyuk  
12 employees from Teller  
10 employees from Wales  
6 employees from Golovin  
6 employees from Shaktoolik  
5 employees from Nome  
4 employees from Unalakleet  
2 employees from St. Michael  
1 employee from Belfair, WA

**Other Fishing** – Twenty-two fishermen delivered 357,124 pounds of Open Access Norton Sound Norton Sound red king crab to NSSP during the quarter.

**Community Breakdown:** 14 fishermen from Nome  
3 fishermen from Shaktoolik  
3 fishermen from Unalakleet  
1 fisherman from Elim  
1 fisherman from Golovin

Seven fishermen delivered 29,392 pounds of CDQ red king crab to NSSP during the quarter.

**Community Breakdown:** 7 fishermen from Nome

One hundred thirteen fishermen delivered 211,742 pounds of Norton Sound salmon to NSSP during the quarter.

**Community Breakdown:** 57 fishermen from Unalakleet  
27 fishermen from Shaktoolik  
18 fishermen from Elim  
6 fishermen from Golovin  
4 fishermen from Koyuk  
1 fisherman from Nome

Fourteen fishermen delivered 103,069 pounds of CDQ halibut to NSSP during the quarter.

**Community Breakdown:** 12 fishermen from Savoonga  
7 fishermen from Nome

Four fishermen delivered 5,621 pounds of Norton Sound cod to NSSP during the quarter.

**Community Breakdown:** 4 fishermen from Nome  
2 fishermen from Unalakleet

**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 fifty-four internship positions sponsored by NSEDC during the quarter.

**Community Breakdown:** 15 interns from Nome  
10 interns from Unalakleet  
6 interns from Gambell  
6 interns from Shaktoolik  
5 interns from White Mountain  
3 interns from Brevig Mission  
3 interns from Teller  
2 interns from Anchorage  
2 interns from Elim  
1 intern from Stebbins  
1 intern from Wales



**Training Data Form**

**Table 2**  
**TRAINING DATA FORM**  
**July 1 through September 30, 2010**

	<b>Quarter</b>		<b>Year-to-Date</b>	
	<b>People</b>	<b>Expenditures</b>	<b>People</b>	<b>Expenditures</b>
<b>Scholarships</b>				
Post-Secondary	158	\$313,000.00	293	\$574,799.50
Vocational	8	\$16,000.00	42	\$84,000.00
<b>Voc-Tech</b>				
Basic	0	\$0.00	0	\$0.00
Advanced	0	\$0.00	0	\$0.00
<b>Other Training</b>				
Fisheries Related	7	\$7,150.00	31	\$62,044.56
CDQ Staff	0	\$0.00	0	\$0.00
CDQ Board	0	\$0.00	0	\$0.00
Other	13	\$700.00	56	\$16,916.91
<b>TOTAL</b>	<b>186</b>	<b>\$336,850.00</b>	<b>422</b>	<b>\$737,760.97</b>

**Training Summary**

One hundred sixty-six students received funding for post-secondary and vocational education in the third quarter. Thirteen residents attended a Search and Rescue First Aid Class in St. Michael. Representatives from the cities of White Mountain, Elim, the City of Koyuk, Golovin, Teller, Savoonga, and Gambell attended a Community Welding Cart Orientation Class.

**I. Administration**

**A. Board Activities**

**Board of Director Meetings**

The NSEDC Board of Directors held a special meeting via teleconference on July 22, 2010.

The NSEDC Board of Directors held its 2010 second quarter meetings in Nome, Alaska August 5 – 6, 2010.

The NSEDC Board of Directors held an Education Employment and Training Workshop in Anchorage, Alaska September 29 – 30, 2010.

The NSEDC Board of Directors held a special meeting in Anchorage, Alaska September 30, 2010.

### **Substantial Decisions**

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

- The Board adopted Corporate Resolution 10-04 approving the 2009 NSEDC Annual Statement of Compliance.
- As part of the Board's continuing effort to reduce salmon bycatch, the Board reviewed and approved a research allocation request proposed by Glacier Fish Company.
- The Board approved the continuation of the loan guarantee of \$6.7 million to Wells Fargo for Siu Alaska Corporation.
- The Board reviewed and approved the proposed six-month extension to the expiration dates of the WACDA Rules as presented by staff.
- The Board reviewed and approved changes to the 2010 NSEDC Member Representative Election Forms to incorporate an amendment to the Bylaws that more clearly defines how a candidate for the NSEDC Board may document they are a resident fishermen.
- The Board formally endorsed Lisa Murkowski for the United States Senate.
- The Board approved the CDQ Sector Chinook Salmon Bycatch Avoidance plan as proposed by staff.
- The Board made a request to the Western Alaska Community Development Association to provide matching funding of \$25,000 to Mt. Edgecumbe for its welding technology curriculum.
- The Board reviewed and approved a Regional Entity funding request from Norton Sound Health Corporation for its nursing program under NSEDC's 2010 Outside Entity Funding program.

## **II. Harvesting Report**

### **A. CDQ Harvest Management**

During the third 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, halibut, Norton Sound red king crab, and Eastern Aleutian Islands golden king crab.

#### **Pollock**

The *F/V Alaska Ocean (AO)* and *F/V Pacific Glacier (PG)* completed the harvest of both CDQ and open access quota of pollock for 2010 on September 1<sup>st</sup>. The *PG* returned to Seattle at the end of July for repairs, while the *AO* continued fishing for pollock until September.

Together, the *AO* and *PG* harvested nearly the entire B season quota (about 10,731 metric tons) of pollock on behalf of NSEDC. Overall bycatch of Chinook salmon and other PSQ species was relatively small for both the CDQ and open access harvest.

### **Pacific Cod**

NSEDC contracted with Alaska Leader Fisheries (ALF) to use the vessels the *F/V Bering Leader*, the *F/V Bristol Leader*, and the *F/V Alaska Leader* for harvesting CDQ cod in the B season this year. ALF and these vessels are fifty percent owned by Bristol Bay Economic Development Corporation (BBEDC).

The *Bering Leader* and the *Bristol Leader* harvested approximately 600 metric tons of NSEDC CDQ cod in a directed fishery during the third quarter beginning July 23<sup>rd</sup> and concluding August 19<sup>th</sup>. ALF vessels harvested about half of the CDQ cod initially allocated for harvest in the target fishery for the B season.

ALF anticipates commencing the harvest of NSEDC CDQ cod in late November or early December and will continue fishing through the end of the year. Halibut bycatch has been relatively high at approximately 11.5% of the cod catch.

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

The *F/V Seafreeze Alaska (SFA)* and the *F/V Alaskan Knight*, a catcher vessel delivering to the *SFA*, harvested approximately 427 metric tons of CDQ Atka mackerel and 197 metric tons of Pacific Ocean Perch (POP) in the combined Aleutian Island management areas 541, 542, and 543 during the quarter.

The *SFA* has a small amount of POP remaining to harvest to complete these operations including the harvest of NSEDC and Aleutian Pribilof Island Community Development Association quotas. Bycatch of other CDQ and PSQ species in this target fishery has been minimal.

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

There was no directed fishery for CDQ yellowfin, flathead or rock sole during the third quarter. NSEDC, however, commenced operations with US Seafoods targeting yellowfin sole and other flatfish on October 21<sup>st</sup> using a small catcher-processor the *F/V Legacy*. At this time, the *Legacy* has harvested approximately 177 metric tons of yellowfin sole, 87 metric tons of Alaska plaice, 34 metric tons of rock sole, 30 metric tons of flathead sole and other valued CDQ species such as cod and pollock. These operations will continue into the fourth quarter.

The bycatch of PSQ species, particularly halibut, has been relatively minimal. The bycatch of Pacific cod, however, has been higher and the limiting bycatch species in the yellowfin sole fishery.

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

There was no directed harvest of CDQ Arrowtooth flounder/Greenland turbot during the third quarter.

### **Sablefish**

The *F/V Cynosure* and the *F/V Aleutian Beauty* (under sublease by the owners of the *Cynosure*) harvested approximately 54.5 metric tons of Aleutian Islands sablefish CDQ (about 120,290 round pounds) during the third quarter. Fishing will resume in the fourth quarter for the roughly 20,000 pounds of remaining quota.

### **Halibut**

The original quota allocated to NSEDC (146,250 pounds) was made available for the local fisheries in the region. NSEDC received an additional 30,000 pounds of CDQ in area 4E in a transfer from BBEDC for a total available allocation of 176,250 pounds.

The halibut fishery in-region commenced on July 9<sup>th</sup> and concluded on October 20<sup>th</sup>. Total local harvest was approximately 40,000 pounds less than 2009. After the local fishery slowed, NSEDC contracted with the *F/V Shemya* and the *F/V Saint Paul*, a vessel owned by Central Bering Sea Fishermen's Association, to harvest as much of the remaining quota as possible before the fishery closes November 15<sup>th</sup>. The *Shemya* delivered 31,544 pounds and the *Saint Paul* is still fishing at the time of this report.

### **Bering Sea Opilio Crab**

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

NSEDC's allocation of CDQ opilio for the 2010-2011 fishery is approximately 977,058 pounds, roughly a 13 percent increase over the previous year.

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

The local fleet harvested the entire CDQ quota of red king crab in Norton Sound (30,000 pounds) including both NSEDC and Yukon Delta Fisheries Development Association quotas by July 16<sup>th</sup> in the third quarter.

### **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>. The NSEDC allocation of CDQ red king crab for 2010-2011 is 267,102 pounds, a 7 percent reduction over the previous year.

NSEDC has entered into an agreement with Bering Fisheries (owned by Dutch Harbor Acquisitions, in which Siu Alaska Corporation is part owner) to process and market the crab product. In exchange for delivering the crab harvested from this quota, NSEDC will receive a CDQ processing premium.

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

The *F/V Aleutian No. 1 (AI)* harvested the entire quota (66,150 pounds) of CDQ golden king crab (brown crab) on a single trip during the third quarter. This CDQ crab was harvested along with IFQ crab.

Similar to the arrangement for the CDQ red king crab, NSEDC has entered into an agreement with Bering Fisheries to process and market the crab product. In exchange for delivering the crab harvested from this quota, NSEDC will receive a CDQ processing premium.

### **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>. NSEDC's allocation of CDQ blue king crab for 2010-2011 is 22,400 pounds, a 37 percent increase over the previous year.

### **Bering Sea Bairdi Crab**

There was no harvest of CDQ bairdi crab during the quarter. The Bering Sea bairdi crab fishery is closed for the 2010-2011 fishing season.

## **B. IFQ Harvest Management**

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

### **Sablefish**

An NSEDC contracted vessel the *F/V Provider* harvested 42,389 pounds of sablefish IFQ in the central gulf during the third quarter. The IFQ sablefish fishery is now completed for the year. A small amount of quota remains in the Aleutian Islands but will not be harvested.

### **Halibut**

NSEDC contracted vessels harvested the entire IFQ of 3B halibut quota (27,071 pounds) during the third quarter and into October. This IFQ halibut fishery is now completed.

### **Bering Sea Opilio Crab**

There was no harvest of IFQ opilio crab during the third quarter. A share quota is matched with Trident Seafoods in the northern region and with Westward Seafoods in the southern region.

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

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

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

The Aleutian Islands gold king crab (brown crab) fishery commenced on August 15<sup>th</sup>. The *F/V Aleutian No. 1* has harvested 388,921 pounds of IFQ brown crab on behalf of NSEDC in five trips during the third quarter and to date in the eastern area.

The A share IFQ crab was delivered to UniSea Inc. in Dutch Harbor for processing under a share match with the Royal Aleutian Seafoods IPQ. The B share IFQ was delivered to Alyeska Seafoods along with the CDQ crab under a separate agreement for processing with Bering Fisheries.

#### **Bering Sea Bairdi Crab**

There was no harvest of IFQ bairdi crab during the third quarter. The Bering Sea bairdi crab fishery is closed for the 2010-2011 fishing season.

### **C. Compliance/Enforcement**

To the best of the CDQ Harvest Manager's knowledge, there were no vessel or fishing violations, illegal activities and/or fines or penalties imposed on vessels operating under contract to NSEDC.

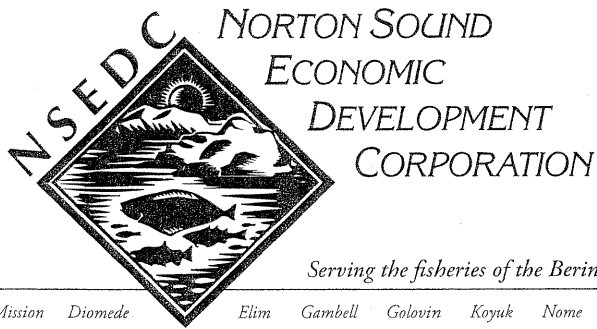
### **D. NSEDC Quota Royalties**

To date for the year, NSEDC has generated roughly \$10.3 million in royalties from CDQ fishing operations and approximately \$1.5 million in royalties from IFQ fishing operations.

## **III. Board of Directors July 1 – September 30 Meeting Minutes (Attachments 1 – 3)**

ATTACHMENT 1

2010 Second Quarter Meeting Minutes



*Serving the fisheries of the Bering Strait Region*

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

**Norton Sound Economic Development Corporation  
Second Quarter Board of Directors Meeting  
BSNC Boardroom, Nome, Alaska 99762  
August 5 & 6, 2010  
9:00 a.m.**

**CALL TO ORDER**

NSEDCE Board Chairman Dan Harrelson called the NSEDCE 2010 Second Quarter Board of Directors Meeting to order at 9:00 a.m. on August 5, 2010.

**ROLL CALL**

Present at the meeting were Dan Harrelson, Don Stiles, Dean Peterson, Joel James, Harvey Sookiayak, Joe Garnie, Orville Ahkinga Jr., Reggie Barr, Truman Kava, Frank Oxereok Jr., Frank Katchatag, Wilfred Katcheak, Victor Joe, and Oscar Takak Sr. Elvina Naranjo was absent and excused. Staff present: Janis Ivanoff, Simon Kinneen, Rick Walicki, Joel Cladouhos, Virginia Nashalook, Kyan Olanna, Paul Ivanoff III, Kathy Wheelehan, and Jerry Ivanoff. Rob Wood and Jim Johnson of Glacier Fish Company and John Eckels of Siu Alaska Corporation were present. Randy Maes of Charles Schwab and Laurie McNicholas of the *Nome Nugget* were present. J.T. Sherman and Tim Smith were also present.

**INVOCATION**

Oscar Takak Sr. gave the invocation.

**APPROVAL OF AGENDA**

The OEF Program and the Community Benefits Manager's report were moved up under NSEDCE CEO's Report. Chairman Harrelson noted the board was invited to the unveiling of two statues at 11:00 a.m. The ceremony would be held near the Three Lucky Swedes statues. Joe Garnie asked to add the Pilgrim Hot Springs and the NSEDCE Annual Statement of Compliance to the agenda; they were included under old business.

*Don Stiles made a motion to approve the agenda, as amended. Oscar Takak Sr. seconded the motion. The motion passed.*

**APPROVAL OF MINUTES**

*Harvey Sookiayak moved to approve the April 28, 2010 meeting minutes. Oscar Takak seconded the motion. The motion passed.*

*Don Stiles made a motion to approve the June 4, 2010 meeting minutes. Harvey Sookiayak seconded the motion. The motion passed.*

**PUBLIC COMMENTS**

Chairman Harrelson cautioned the public to make their comments in a professional non-threatening manner. Threatening behavior will not be tolerated. Paula Cullenburg of UAF MAP will be provided the opportunity to address the board upon her arrival.



Tim Smith addressed the board. He felt that there was no way that the public can communicate with the board. Tim's goal was to have a back and forth with the board. He noted that we have not had a commercial fishery in Nome for twenty years. He asked for the plans for bringing the salmon back.

James Sherman addressed the board regarding the commercial salmon fishing operations in Golovin. He requested more and bigger totes; ice and communication between the northern and southern NSSP operations. He also noted that Golovin lost two periods of fishing. Chairman Harrelson noted the validity of James Sherman's Concerns and stated that with the amount of fish and the number of fishermen, NSEDC experienced growing pains and is making adjustments and changes NSEDC's growing pains. Chairman Harrelson apologized for the problems that we had.

Jon Zuck and Roy Ashenfelter joined the meeting at 9:20 a.m.

Paula Cullenburg addressed the board on the University of Alaska MAP, which had been funded for three years by NSEDC. She went over her funding from the legislature and the University of Alaska System and thanked the board for their initial funding of the program. She described the work of the UAF MAP agent. Within the next couple of months, Paula will be recruiting for a marine advisory agent. She welcomed NSEDC's input and asked that a staff member participate in the search and hiring process. Dan Harrelson stated that Charlie Lean would take this role once again.. Chairman Harrelson noted the need to recruit and get a MAP Agent hired in six months, as he felt that we need to develop business plans for our fishermen to become more successful and for the safety classes. Several board members talked about projects the agent worked on and their benefit. Paula was optimistic the Alaska Legislature would provide funding for the UAA MAP to the tune of \$600,000.00. Paula presented Chairman Harrelson a picture of Heidi Herter working on the blue king crab research project. Joe Garnie asked about the job description of the MAP Agent and suggested they have knowledge of salmon rehabilitation and enhancement.

We took a break at 9:45 a.m. The meeting reconvened at 9:59 a.m.

Charlie Lean walked in at 9:50 a.m. Eric Osborne joined the meeting at 9:57 a.m.

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

NSEDC Corporate President Dan Harrelson gave the President's Report. He noted the death of Tom Sagoonick of Shaktoolik, who drowned while checking his fishing nets. He also noted the death of Harold Kimoktoak who worked at Norton Sound Seafood Center. He encouraged our people to use proper safety equipment. A moment of silence was observed for those who lost their lives.

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

NSEDC CEO Janis Ivanoff gave the CEO's Report. She went over activity in the second quarter of 2010 with the submission of the NSEDC 2009 Annual Statement of Compliance, the dissolution of the NSEDC Education Foundation, Norton Sound Seafood House, NSEDC audit and annual report, Pilgrim Hot Springs activity, and the Nome office remodel. With the dissolution of the Foundation, Janis recommends the Board, review the NSEDC EET Program and see if there are any additions or changes we can use from the Foundation's strategic planning.

## **Community Benefits Department Manager's Report-Paul Ivanoff III**

There was discussion about the SBI program funds, deadlines to use the funds, timeline of awarding grants and a recommendation to increase the program budget. Joe Garnie asked for the duties and responsibilities of the liaisons wondering if we should set up an office in each village for them, possibly renting office space with the city. There was discussion about the liaisons responsibilities, where they work from and the programs they help with. Paul stated that he will email all the board members the responsibilities of our community liaisons.

**Outside Entity Funding - regional**

Paul noted the deadline to submit OEF applications for 2011 is October 15<sup>th</sup> of 2010. He summarized the process. Janis noted the fisheries related applications are addressed during NSFR&D budget process. The amount available for the OEF program won't be determined until the budgeting process is complete. There was discussion about advertising, where to get applications, rolling over the funds, and approximately how much may be available.

Discussion began regarding the Nome Native Arts Center proposal. Janis reported NNAC has received additional funds from another source but she is unaware of the amount. There was discussion about the affects NNAC would have on local competition, and reopening the proposal process to Kawerak for their Nursing Program.

*Harvey Sookiayak moved to reopen the 2010 OEF Regional Entity application process and ask for new and updated information from Kawerak and from the Nome Native Arts Center regarding their proposals. Oscar Takak seconded the motion.*

Janis asked for clarification on this motion regarding what new information to consider. Joel James asked where the excess \$98,000.00 would come from. Chairman Harrelson noted that we are limited to \$100,000 of funding. The applicants would have to look elsewhere for excess funding. Chairman Harrelson asked for clarification on the timeline for addressing these applications. Janis noted the Board could address it at the EET workshop in September.

*The motion passed with Don Stiles, Frank Katchatag, Oscar Takak, Frank Oxereok and Dean Peterson voting no.*

Paul thanked the board for moving him up in the agenda.

We took a break at 11:01 a.m. to go to the unveiling of the three Eskimo Boys with the three Lucky Swedes until 11:30 a.m.

The meeting reconvened at 11:27 a.m.

**FINANCIALS/INVESTMENT PORTFOLIO**

Chairman Harrelson stated Randy Maes will present to the board in executive session after Rick Walicki presents the financials.

Rick Walicki gave the NSEDC Financials/Investment Portfolio. He went over the differences between the numbers of 2009 and 2010.

*Oscar Takak made a motion to go into executive session for the investment portfolio of Randy Maes of Charles Schwab, a portion of the Siu Alaska Corporation Report, and the Glacier Fish Company Report at 11:38 a.m. Dean Peterson seconded the motion. The motion passed.*

*Frank Katchatag made a motion to return to regular session at 1:22 p.m. Oscar Takak Sr. seconded the motion. The motion passed.*

The Board took break at 1:22 p.m. The meeting reconvened at 1:57 p.m.

**SIU ALASKA CORPORATION REPORT-John Eckels**

1. Glacier Fish Company

*Frank Katchatag made a motion to approve the research allocation request as presented by Glacier Fish Company, in executive session, as part of NSEDC's continuing efforts to reduce salmon bycatch. Oscar Takak seconded the motion. The motion passed.*

John Eckels gave the Siu Alaska Corporation Report. Without the maintenance expenses of the previous year the F/V Aleutian #1 is showing a profit. Siu is seeking to charter out the Pacific Star.

John announced that Siu Alaska Corporation working with Copper River Seafoods formed the Dutch Harbor Acquisition LLC to purchase the Harbor Crown Facility in Dutch Harbor and establish the Bering Sea Fisheries LLC

Joe Garnie asked about the job opportunities with this new acquisition including possibly fixing the property damage of the plant. He requested to ease our workers into the operations with the possibility of advancement, and stated that residents in the village are not used to working forty hour weeks, but we are placing them into seven sixteen hour days.

*Don Stiles made a motion to refresh the loan guarantee of \$6.7 million to Wells Fargo for Siu Alaska Corporation. Harvey Sookiayak seconded the motion. The motion passed with Joe Garnie opposing.*

Chairman Harrelson introduced Jim Johnson of Glacier Fish Company. Jim went over GFC's Bycatch rate with less than 1.5 Chinook per 100 ton and chum salmon with one salmon per 1000 tons of Pollock. He advised the board on the curbing of the Chinook Bycatch over the last few years by the industry, since the catastrophe of bycatch in 2007. Jim stated GFC is doing everything possible to reduce bycatch and went on to cover the long-line permit for cod of GFC.

Rob went over the "B" season catch rates and recovery and said it is not a bad time to be a cod quota owner. The F/T Pacific Glacier had some engine problems. After repairing the engine block, this vessel will go to Washington for the hake operation.

## MANAGERS REPORTS

### 1. CDQ Management-Jon Zuck

Jon Zuck took the floor for the CDQ Harvest Management Report. The 'B' Season is underway for our cod and Pollock. He noted that the F/V Glacier Bay and the F/V Norton Sound are no longer fishing, we are looking for someone to harvest our CDQ Cod in the long term. Don Stiles asked about preliminary discussions to acquire more halibut quota from the other CDQ Groups. Simon Kinneen gave an update, but no numbers are available as yet. At the moment, we are working with CVRF on our CDQ and IFQ Quotas. Jon noted that Simon Kinneen is the co-chair of the salmon bycatch working group along with Larry Cotter. Simon Kinneen stated the NPFMC has called a special meeting to address the draft bi-op regarding Steller sea lions.

Simon Kinneen gave an update on the chum salmon bycatch in the Pollock Fishery. He summarized the process the NPFMC is using to analyze the chum salmon bycatch in the pollock fishery. In June of 2011, the NPFMC will be meeting in Nome to go over the chum salmon bycatch issue. There was discussion about the alternatives for how to lower salmon bycatch, hardcap levels, dna salmon research, keeping communities informed, and how much work has been done already to curb the chum salmon bycatch.

The Board took a break at 3:11 p.m. The meeting reconvened at 3:26 p.m.

### 2. Southern and Northern NSSP

#### a. Middy Johnson

Via teleconference, Middy Johnson gave the Southern NSSP Report. He covered the herring and salmon fishery, providing the current harvest of chum, pinks, and chums in Elim, Golovin, Shaktoolik, Norton Bay, and Unalakleet. There was discussion about the tender vessels and processing capability. Middy said quality of the deliveries has been good so far. Middy noted we have had no transportation issues from Unalakleet to the market. Don Stiles noted it is nice to have an overflow of fish. Harvey Sookiayak thanked Middy for his work with the processing capacity for Shaktoolik. Chairman Harrelson asked how coho fishing is progressing. Coho has been slow the run is expected to pick up in the next few weeks.

b. Rich Ferry

Rich's report was tabled until 9 am the next morning.

3. Written Reports

Chairman Harrelson noted the written reports in the packet and asked if there were any questions from the board for the managers.

a. Community Benefits Department-Paul Ivanoff

This report was provided earlier in the meeting.

b. EET Department-Jerry Ivanoff

Chairman Harrelson asked for the timing of the training for the new community welders. Jerry informed him and the board that Ben of Weld Air will be traveling to the villages on August 10-21, 2010.

c. HR Department-Camille Cruz

Janis Ivanoff noted that Joel Cladouhos will be filling the CDQ Harvest Manager Position with Jon available to help train him. Janis also mentioned that the new health insurance plan had been implemented.

d. NSFR&D-Charlie Lean

Charlie Lean was given an opportunity to present the NSFR&D Report. Chairman Harrelson noted the well written article in the latest Nome Nugget by Reba Lean.

The Board was invited to tour the plant, Nome office, and the new rescue boat.

The meeting recessed at 3:49 p.m. until 9:00 a.m. on August 6.

**August 6, 2010 9:00 a.m.**

The meeting reconvened at 9:02 a.m. For the record, all the board members were present. Elvina Naranjo was present via teleconference.

**Northern NSSP Report-Rich Ferry**

Rich Ferry presented his report via teleconference. There was discussion about the Inaliq, the Anchorage market, marketing and halibut inventory.

**COMMITTEE REPORTS**

1. Executive Committee Report

Chairman Harrelson gave the NSEDC Executive Committee Report.

*Don Stiles made a motion to adopt the NSEDC Executive Committee Report. Frank Oxereok Jr. seconded the motion.*

Under discussion, Chairman Harrelson asked if we want to set a maximum amount for NSEDC's contribution to the Little Diomed Passenger Service. Janis suggested the Board could authorize the Executive Committee up to a certain amount. There was discussion about who would provide the passenger service, using the Community Benefit Share, how much the other participants are going to provide and to what extent the State would participate. Harvey commented we should authorize the Executive Committee to contribute a maximum of up to \$100,000.00. If more is needed, the committee can come back to the Board. An amendment can be made to add it to the operating budget. Chairman Harrelson asked if this would be a one-time deal and asked the Board for their consent. There were no objections.

*The motion passed.*

2. Finance Committee Report

Chairman Harrelson gave the NSEDC Finance Committee Report.

*Oscar Takak made a motion to approve the NSEDC Finance Committee Report. Victor Joe seconded the motion.*

Joe Garnie commented on the amount of the northern fisheries and asked if it was for two years. Janis Ivanoff informed him the amendment is for this 2010. Joe Garnie asked about the type of fishing gear used in this fishery. He recommended working with the board members in the community regarding what harvestable resources are available in their communities.

*Question was called. The motion passed.*

3. Scholarship Committee Report

Chairman Joe gave the NSEDC Scholarship Committee Report.

*Reggie Barr made a motion to approve the NSEDC Scholarship Committee Report with its recommendations. Frank Katchatag seconded the motion. The motion passed.*

4. Rules & Bylaws Committee Report

Chairman Stiles gave the NSEDC Rules & Bylaws Report.

*Dean Peterson made a motion to approve the NSEDC Rules & Bylaws Committee Report with its recommendations. Oscar Takak seconded the motion. The motion passed.*

5. Fisheries Development Committee Report

Charlie Lean gave the NSEDC Fisheries Development Committee Report.

*Wilfred Katcheak made a motion to approve the NSEDC Fisheries Development Committee Report. Harvey Sookiayak seconded the motion. The motion passed.*

The Board took a ten minute break at 9:51 a.m. The meeting reconvened at 10:12 a.m.

**OLD BUSINESS**

1. Election Lawsuit Update-executive session

This will be addressed after new business.

2. Outside Entity Funding

a. Regional Entity Funding

This was covered earlier in the meeting.

3. Pilgrim Hot Springs Update

Joe Garnie said the residents of the communities of Teller and Brevig would like Unaatuq LLC to consider allowing those residents to continue traditional usage of the property and recognize that the property has not only been a sanctuary for their communities, but also a hunting and trapping location.

4. NSEDC Annual Statement of Compliance

Joe Garnie voiced that something as important as the NSEDC Annual Statement of Compliance should be held in a face to face meeting. On this issue, he felt staff let the board down with communication and one week advance notice of the meeting. Chairman Harrelson noted that we will do a follow-up phone call of the email notice of any meetings in the future. Frank Oxereok Jr. noted that the GCI Service is poor in Wales. Chairman Harrelson noted the Annual Statement of Compliance will be addressed annually at the 1<sup>st</sup> quarter Board Meeting.

## NEW BUSINESS

### 1. Annual Board Retreat and Training

NSEDC CEO Janis Ivanoff would like to set the dates for the NSEDC Annual Board Retreat and Training. Chairman Harrelson noted that the board has had financial training, board ethics, and computer training. Janis added that NSEDC Legal Counsel Kyan Olanna would provide a presentation on Corporate Ethics and Janis would like to go over NSEDC strategic plan. Chairman Harrelson stated it would be valuable for the board to get educated on the CDQ Harvest Management. Frank Oxereok asked for clarification on where this would be held. Janis informed him that the budget portion would be in Anchorage. As for the training, that is the board's call. There was discussion on the timing Chairman Harrelson recommended the week of December 6, 2010. Don Stiles noted that this is basketball season. Oscar voiced his concern on the weather and recommended the week of December 12<sup>th</sup>, as a fall back plan. Chairman Harrelson noted that the board would travel to Anchorage on the 5<sup>th</sup> and travel back on the 11<sup>th</sup> of December.

Chairman Harrelson welcomed public comments prior to the executive session. None were provided.

### 2. Election Lawsuit Update

### 3. WACDA

*Oscar Takak made a motion to go into executive session at 10:33 a.m. to go over the election lawsuit and WACDA. Harvey Sookiayak seconded the motion. The motion passed.*

*Wilfred Katcheak made a motion to return to regular session at 11:09 a.m. Victor Joe seconded the motion. The motion passed.*

*Dean Peterson made a motion to approve extending the deadline date of the WACDA Rules as presented by six months. Frank Oxereok Jr. seconded the motion. The motion passed.*

## PUBLIC COMMENTS

None provided.

## BOARD COMMENTS

Dean Peterson voiced the need for maintenance on all the tender vessels during the off season to eliminate the problems during season. He also voiced the need for refrigeration people. He commended Bruce and Frank for their refrigeration expertise. He recommended training more people from our region. We are doing a great job to benefit the region.

Don Stiles recommended more cooperation between northern and southern NSSP. We need to work together to provide opportunities for our communities. He would like to see more maintenance of our vessels and recommended a staff person to maintain our vessels.

Truman Kava and Wilfred Katcheak had no comment.

Victor Joe thanked Middy Johnson and the NSEDC Staff for the herring fishery.

Orville Ahkinga Jr. apologized for his past absences.

Joel James recommended doing maintenance on the Gambell Four Wheelers.

Frank Oxereok said that it was good to see everybody.

Reggie Barr hoped his fishing gets better in his area, as people are getting angry at him. Lake fertilization should stop.

Joe Garnie thanked the board members who brought muktuk. On the bycatch issues, he said our member communities are hit hard by not having salmon and we need to protect our subsistence resources.

Frank Katchatag thanked Chon for his work and said it is good to see everyone. He thanked the Board for the \$1,000.00 cleanup funds and wished to make it available to our communities without a request. Janis Ivanoff stated it is available but NSEDC needs to know who to send the money to and to have a point of contact. Frank Katchatag recommended sending it to the City of Unalakleet.

Regarding the salmon bycatch and hard cap issue, Oscar Takak admitted he has had the mindset that all the salmon not caught as bycatch is destined for western Alaska, but has learned from attending Council meetings that many are bound for Asia. He spoke of previous tagging studies showing that Western Alaskan chums go through Area M and the purse seiners in that area get the bulk of the salmon passing through. He said we should be grateful for our partners at GFC. They are concerned about the amount of salmon bycatch and are working on a solution.

Harvey Sookiayak recommended the tender vessel manager do the maintenance on our tender vessels.

On this board meeting, Chairman Harrelson felt that all the board members acted professionally. He appreciates all the phone calls. Paul Ivanoff III lost his dad, and he was able to make it home before his death.

Janis Ivanoff thanked the board and staff for their work at the meetings.

## ADJOURNMENT

*Oscar Takak made a motion to adjourn the NSEDC 2010 Second Quarter Board Meeting at 11:27 a.m. on August 6, 2010. Frank Oxereok Jr. seconded the motion. The motion passed.*

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Dan Harrelson, NSEDC Board Chairman

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Jerry Ivanoff, NSEDC Corporate Secretary

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Date

ATTACHMENT 2

NSEDC Board of Directors

Special Teleconference Meeting Minutes

July 22, 2010





FILE COPY

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

Norton Sound Economic Development Corporation  
Special Board of Directors Meeting Teleconference  
July 22, 2010 10:00 a.m.

CALL TO ORDER

Chairman Dan Harrelson called the NSED Special Board of Directors Meeting to order via teleconference on July 22, 2010 at 10:14 a.m.

ROLL CALL

The roll call was taken with Dan Harrelson, Don Stiles, Dean Peterson, Joel James, Harvey Sookiayak, Joe Garnie, Reggie Barr, Truman Kava, Frank Oxereok Jr., Frank Katchatag, Elvina Naranjo, Wilfred Katcheak, Vic tor Joe, and Oscar Takak. Orville Ahkinga Jr. was absent and excused. Staff present were Janis Ivanoff, Kathy Wheelehan, Kyan Olanna, and Jerry Ivanoff.

WAIVER OF NOTICE OF MEETING

*Dean Peterson made a motion to waive of the notice of meeting. Frank Katchatag seconded the motion.*

Joe Garnie stated that he didn't learn of the meeting until an hour before it was scheduled to begin. He said he was too busy to check his email and felt the board should have been called. Harvey Sookiayak suggested this could be discussed at a regular meeting. Janis noted staff is aware of internet problems and is working on a solution. Reggie Barr agreed with Joe.

*The motion passed with nay votes from Joe Garnie and Reggie Barr.*

APPROVAL OF AGENDA

*Oscar Takak made a motion to approve the agenda. Joel James seconded the motion.*

*Joe Garnie discussed the meeting telephonically wishing to meet in person face to face. Chairman Harrelson noted that we had one annual statement of compliance on the agenda, which must be done by July 31, 2010, and is just a formality. Joe felt that this could have been on the agenda in our second quarter board meeting with the document in hand.*

*The motion passed with nay votes from Joe Garnie and Reggie Barr.*

WAIVER OF APPROVAL OF MINUTES

Dean Peterson made a motion to waive the approval of minutes. Frank Oxereok Jr. seconded the motion. The motion passed with one nay, Joe Garnie.

OLD BUSINESS

There was no old business.

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

NEW BUSINESS

2009 NSEDC Annual Statement of Compliance

Chairman Harrelson turned the floor over to NSEDC CEO Janis Ivanoff, who explained the reason for the NSEDC 2009 Annual Statement of Compliance.

*Don Stiles made a motion to approve the 2009 NSEDC Annual Statement of Compliance with NSEDC Resolution 10-04. Oscar Takak seconded the motion.*

Joel James asked if there were any issues that need to be listed as non-compliant. There are none.

*The motion passed with Reggie Bar and Joe Garnie voting no.*

ADJOURNMENT

*Don Stiles made a motion to adjourn the NSEDC Special Board Meeting of July 22, 2010 at 10:27 a.m. Oscar Takak seconded the motion.*

Joe Garnie noted that he opposes the approval of the statement of compliance motion and would like it so noted.

*The motion passed.*

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Dan Harrelson, Chairman

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Jerry Ivanoff, NSEDC Corporate Secretary

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Date

ATTACHMENT 3  
NSEDG Board of Directors  
Special Meeting Minutes  
September 30, 2010

**Norton Sound Economic Development Corporation  
Special Board of Directors Meeting  
Quality Suites-Anchorage  
September 30, 2010  
2:45 p.m.**

**CALL TO ORDER**

NSEDC Board Chairman Dan Harrelson called the NSEDC Special Board Meeting to order on September 30, 2010 at 2:45 p.m.

**ROLL CALL**

The roll call was taken with Dan Harrelson, Don Stiles, Dean Peterson, Joel James, Harvey Sookiayak, Joe Garnie, Reggie Barr, Frank Oxereok Jr., Frank Katchatag, Elvina Naranjo, Wilfred Katcheak, Victor Joe, and Oscar Takak Sr. Orville Ahkinga was present telephonically. Truman Kava was absent and excused. Staff present were Janis Ivanoff, Simon Kinneen, Kyan Olanna, Kathy Wheelehan, and Jerry Ivanoff.

**Waiver of Notice of Meeting**

*Oscar Takak Sr. made a motion for the approval of waiver of notice of meeting. Elvina Naranjo seconded the motion. The motion passed.*

**APPROVAL OF AGENDA**

Chairman Harrelson added Tom E. Sagoonick Loan, CDQ Sector Chinook Salmon Bycatch Workshop Action, and review of a letter from Joe Garnie, under new business. WACDA and the welding class contribution match request of \$25,000.00 for Mt. Edgecumbe to WACDA were added under old business. CDQ Group Trade Association was changed to WACDA.

*Harvey Sookiayak made a motion to approve the agenda, as amended. Frank Katchatag seconded the motion. The motion passed.*

**WAIVER OF APPROVAL OF MINUTES**

*Dean Peterson made a motion for the waiver of approval of minutes. Frank Oxereok Jr. seconded the motion. The motion passed.*

**OLD BUSINESS**

## **WACDA-Welding Class Assistance**

*Oscar Takak Sr. made a motion to go into executive session at 2:56 p.m. to go over WACDA and the welding class assistance request to WACDA. Harvey Sookiayak seconded the motion. The motion passed.*

*Elvina Naranjo made a motion to return to regular session at 3:21 p.m. Frank Oxereok Jr. seconded the motion. The motion passed.*

*Don Stiles made a motion to endorse Lisa Murkowski in the U.S. Senate Race. Oscar Takak seconded the motion. The question was called. The motion passed with one nay vote.*

- 1. OEF Regional Entities Proposal Reviews**
- 2. WACDA-Welding Class Assistance Request**
- 3. Board Retreat & Training**

NSEDC CEO Janis Ivanoff went over the NSEDC Board Retreat and Training in Seattle, not in Anchorage, as requested by a board member. Janis went over the dates of the NSEDC Board Retreat and Training. Elvina Naranjo explained her reasoning for bringing this to the NSEDC Board's Attention.

*Joel James made a motion to have the NSEDC Board Retreat and Training in Anchorage. Reggie Barr seconded the motion. A roll call vote was taken reflecting nine yes votes, five no votes, and one absent. The motion passed.*

NSEDC CEO Janis Ivanoff went over the timeline for the annual board meeting in Nome with housing problems with a Kawerak Conference during this time. Chairman Harrelson noted that we may not have housing in Nome for our annual meeting.

## **NEW BUSINESS**

### **Tom E. Sagoonick Loan**

Chairman Harrelson noted the loan provided to Tom E. Sagoonick, his loss of life trying to commercial fish, and the desire not to put his family in financial hardship.

*Dean Peterson made a motion to forgive the loan to Tom E. Sagoonick. Oscar Takak seconded the motion. The motion passed.*

### **CDQ Sector Chinook Salmon Bycatch Workshop Action**

*Oscar Takak made a motion to allow NSEDC Staff to move forward with the CDQ Sector Chinook Salmon Bycatch Avoidance and comply with the law. Frank Katchatag seconded the motion. The question was called. The motion passed with Joe Garnie voting no.*

### **EET Program**

*Wilfred Katcheak made a motion to cap our NSEDC Scholarship Fund at \$600,000.00 and provide \$50,000.00 to the Kawerak ABE Program. Harvey Sookiayak seconded the motion for discussion purposes. Joe Garnie asked how much was in the NSEDC Scholarship Fund and was informed that it was \$650,000.00. Chairman Harrelson supports the Kawerak ABE Program, but he had no indication that they needed more money, specifically \$50,000.00. Chairman Harrelson noted that we utilize the scholarship fund to the maximum and the cost of education is going up. Don Stiles voiced his opposition to the motion and explained that Kawerak ABE Program pays 27% for administration. Chairman Harrelson noted that we may have funds elsewhere, instead of taking it away from our scholarship fund. Don Stiles concurred. Don Stiles recommended to take this to the Bering Straits Leadership Team. Frank Oxereok Jr. opposed the motion and would like to keep it in our scholarship fund. Reggie Barr recommended to address this during the budgeting meeting. Wilfred Katcheak withdrew the motion until the NSEDC Budget Meeting.*

### **Kawerak ABE Program**

Wilfred Katcheak requested to provide Kawerak ABE Program \$50,000.00 to assist with GED Attainment.

Joe Garnie introduced and read the letter from Teller Fish Crew, William Topsekok, Kyle Komok, and Matthew Thomas of Teller requesting assistance to their fisheries. A copy was provided to staff. NSEDC CEO Janis Ivanoff stated that this would be introduced in the NSEDC 2011 Budget. NSEDC Chairman Dan Harrelson directed staff to write a letter to them.

We took a break at 3:49 p.m. The meeting reconvened at 4:08 p.m.

*Dean Peterson made a motion to provide \$25,000.00 to Mt. Edgecumbe to develop a vocational welding technology curriculum and asked WACDA to match. Oscar Takak seconded the motion. Joe Garnie asked about the WACDA Match Request. Don Stiles felt that we could provide this to developing our welding needs. Dean Peterson noted that this welding technology curriculum is in place and since 95% of the students are from WACDA Communities, so it would benefit our students. Don Stiles felt that Mt. Edgecumbe is receiving funding from the State of Alaska. With a show of hands, we had six against the motion and seven for the motion. The motion passed.*

Don Stiles clarified that, if the other groups don't agree to this action, we would not provide the funding.

Paul Johnson and Paul Ivanoff III joined the meeting at 3:50 p.m.

### **OEF Funding Proposal Review**

NSEDC CEO Janis Ivanoff went over the OEF Funding Proposals received. Paul Ivanoff III took the floor to inform the board on the OEF Funding Proposals. Paul noted the new proposal from Kawerak, but the Nome Native Arts Council did not resubmit their proposal, but he noted that the NNAC were working people and did not resubmit. Chairman Harrelson noted that we sent

them a letter requesting more information, but they did not respond, so it's a done deal. Paul Ivanoff III concurred that they did not resubmit their proposal.

Paul Ivanoff III brought up the nursing program proposal with a budget under \$100,000.00. Don Stiles asked if these funds would come out of last year's funds. Janis and Paul informed him that this would come out of the NSEDC 2010 Budget. Chairman Harrelson asked who the students that they identified were and where they come from, Nome or the region. Paul Ivanoff III informed him that he did not ask for names. Chairman Harrelson noted that we have current nursing scholarship recipients that would not receive this level of assistance. Don Stiles brought up the funding for specialized training. Chairman Harrelson asked if they would tap into the NSEDC Scholarship Fund. Paul informed him that they would apply for all scholarships. Chairman Harrelson asked about the funding from NSHC and the IHS. He asked if they were not successful from gaining funds from the federal government. Paul Ivanoff III went over the proposed budget and where the funds would come from. Don Stiles asked about the administration fees or indirect costs. Paul informed the board that we don't allow administration fees. Chairman Harrelson asked for the plan if one of these students dropped out. Paul Ivanoff noted that any funds not spent could be rolled over to the following year. Paul noted the 15% variance in their budget. Don Stiles recognized the new jobs available with the new hospital in Nome and noted the transient nurses in the NSHC. Paul Ivanoff III informed the board that NSHC cannot keep their nurses employed and use contract labor for nurses. Chairman Harrelson asked for staff recommendation. Paul Ivanoff III stated that, even if he felt that one of these projects were just great, he did not favor one proposal over another. Janis Ivanoff stated that they should be Norton Sound Residents. Paul declared a conflict of interest, so he excused himself from any recommendation.

*Don Stiles made a motion to approve the NSHC OEF Funding Proposal. Wilfred Katcheak seconded the motion.* Joe Garnie asked if this was going to be an ongoing funding proposal. Don Stiles felt that this was a one-time funding request. Chairman Harrelson asked for staff recommendation. Paul Ivanoff III declared a conflict of interest, as his niece was one of the nursing students, so he refrained from making a recommendation. Chairman Harrelson noted that we may have 120 new positions with at NSHC. Chairman Harrelson requested that the NSHC comply with the NSEDC Residency Requirement of our scholarship program. We had a lengthy discussion on this funding proposal. The question was called. *The motion passed unanimously.*

NSEDC CEO Janis Ivanoff noted the elections for board members in our five villages, Little Diomed, Unalakleet, Shaktoolik, White Mountain, and Brevig Mission. The Norton Sound Seafood House at the Ted Stevens International Airport will be done in November.

Chairman Harrelson directed the board to complete their NSEDC CEO Evaluation and turn it in.

Oscar Takak passed on to the board the thank you from Chris Amaktoolik for their support.

## **ADJOURNMENT**

*Oscar Takak Sr. made a motion to adjourn the NSEDC Special Board of Directors Meeting at 4:35 p.m. Elvina Naranjo seconded the motion. The motion passed.*

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Chairman Dan Harrelson

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Jerry Ivanoff, NSEDC Corporate Secretary

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Date