

FOR DISTRIBUTION

## 2013 SECOND QUARTER REPORT

April 1 – June 30, 2013



### NORTON SOUND ECONOMIC DEVELOPMENT CORPORATION

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## I. Quarterly Highlights

- The NSEDC Board of Directors held its 2013 first quarter meetings in Unalakleet, Alaska, May 2-3, 2013.
- The NSEDC Board of Directors held a special meeting on June 18, 2013 at the William “Jack” Hernandez Hatchery in Anchorage to review and approve NSEDC’s 2012 financial audit.
- The NSEDC Board of Directors approved NSEDC/NSSP providing a market for a 2013 Norton Sound sac roe herring fishery with a base price of \$350 per ton for 10% roe.
- The NSEDC Board of Directors approved a \$42,000 Community Energy Fund request from the City of Golovin to be used toward the installation of new LED streetlights.
- The NSEDC Board of Directors approved the purchase of a new tender vessel to serve the fishermen of the Norton Sound region in 2014. The action also allowed for the negotiation of terms for a second new tender vessel to be constructed in advance of the 2015 fishing season.
- The NSEDC Board of Directors approved more than \$760,000 in funding for 22 community and regional entities through NSEDC’s Outside Entity Funding program.
- The NSEDC Board of Directors approved a \$300,000 request from the City of Koyuk to be used toward the construction of a multi-use facility for the community.
- NSEDC was honored with Kawerak, Inc.’s Community Impact Award during the regional tribal organization’s 40<sup>th</sup> Anniversary Regional Conference. NSEDC received the award for its work through the Small Business Initiative.
- Fishing and tendering operations started during the quarter. This year, NSEDC achieved 100 percent resident hire for tender vessel captains and crews positions.
- Norton Sound Seafood Products purchased 5,137 pounds of red king crab caught through the ice by 16 resident fishermen, paying more than \$33,300 during the quarter.
- Norton Sound Seafood Products purchased 40,264 pounds of chum salmon caught by 8 resident fishermen in early-season fishing, paying more than \$20,100 during the quarter.
- Norton Sound Seafood Products purchased nearly 1 million pounds of herring caught by 40 resident fishermen, paying more than \$202,700 during the quarter.
- A total of 14 current residents of NSEDC member communities, one Western Alaska resident and a former member community resident who now lives in Anchorage worked on the *F/V Pacific Glacier*, *F/V Northern Glacier* and the *F/V Alaska Ocean*, earning a total of more than \$100,700 in wages during the quarter.
- One hundred five residents of member communities were awarded scholarships totaling more than \$203,160 for post-secondary and vocational education during the quarter.
- Thirteen Savoonga residents received NSEDC-sponsored training in an Emergency Trauma Technician class.
- Nine residents received seafood processor and vessel safety training in Seward at AVTEC

- Ten educators in the region received training in regard to the traditions and practices of the region's residents at a cultural camp along the Niukluk River.

## **A. Outreach**

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

- The NSEDC Board of Directors held its 2013 first quarter meetings in Unalakleet, Alaska, May 2-3, 2013; the board invited members of the public to attend.
- NSEDC's Board of Directors notified residents of the 2013 first quarter meetings through advertisements in the Nome Nugget newspaper.
- NSEDC produced and mailed out its 2013 first quarter report to entities and municipalities throughout the region. The report was also posted on NSEDC's website.
- Notices on the planned herring fishery were sent out to all fishermen who delivered to NSSP in recent years as well as liaisons in fishing communities. Radio announcements were also aired regarding the upcoming fishery. Updates during the fishery were posted to NSEDC's website and via Twitter posts.
- NSEDC issued a press release and advertising announcing the opening of the application period for the Small Business Initiative (SBI). Community Benefits staff also traveled to several member communities to promote the SBI.
- NSEDC produced and mailed a newsletter to each boxholder in member communities, updating residents about NSEDC programs, job opportunities and initiatives.
- NSEDC issued a press release and advertising announcing the Board's approval of Outside Entity Funding grants, funding for a multi-use facility in Koyuk, a Community Energy Fund request from Golovin, the purchase of new tender vessels and plans for a herring fishery.
- NSEDC produced newspaper advertisements promoting seafood sales from Norton Sound Seafood Products for Iditarod.
- NSEDC produced several newspaper advertisements announcing job openings within the organization.
- NSEDC posted employment opportunities on its website, a popular e-mail distribution list in Nome, the Nome Nugget, and through liaisons several times throughout the quarter.
- NSEDC continued to update the organization's website ([www.nsedc.com](http://www.nsedc.com)) from which constituents can access quarterly reports, newsletters, applications, and information regarding opportunities with NSEDC. News releases are issued on the home page along with a news page.
- NSEDC has Community Outreach Liaisons in 13 of its member communities with Community Benefits Director Paul Ivanoff III serving Unalakleet and Community Development Coordinator Sterling Gologergen serving Nome. The NSEDC liaisons are sent informational fliers, applications, and other information to circulate within their communities.

## B. Employment

Table 1  
EMPLOYMENT DATA FORM  
June 30, 2013

	Q1		Q2		Q3		Q4		Year-to-Date
	People	Wages	People	Wages	People	Wages	People	Wages	Wages
<b>Management/Administrative</b>									
NSEDC - In-region	16	\$ 309,178.72	16	\$ 310,782.90					\$ 619,961.62
NSEDC - Anchorage	12	\$ 261,685.28	14	\$ 244,249.19					\$ 505,934.47
NSSP - In-region	5	\$ 97,707.22	5	\$ 109,664.20					\$ 207,371.42
<b>Total Management/Administrative</b>	<b>33</b>	<b>\$ 668,571.22</b>	<b>35</b>	<b>\$ 664,696.29</b>	<b>0</b>	<b>\$ -</b>	<b>0</b>	<b>\$ -</b>	<b>\$ 1,333,267.51</b>
<b>CDQ Pollock/Groundfish Related</b>	<b>12</b>	<b>\$ 124,144.05</b>	<b>14</b>	<b>\$ 100,797.51</b>					<b>\$ 224,941.56</b>
<b>Total NSSP Employment (seasonal)</b>	<b>9</b>	<b>\$ 21,778.08</b>	<b>29</b>	<b>\$ 103,453.22</b>					<b>\$ 125,231.30</b>
<b>Other NSEDC Employment</b>									
Skippers, Deckhands, Shoreside, etc.	7	\$ 24,908.19	18	\$ 95,139.14					\$ 120,047.33
Clean Waters Program	0		0	\$ -					\$ -
<b>Total Other NSEDC Employment</b>	<b>7</b>	<b>\$ 24,908.19</b>	<b>18</b>	<b>\$ 95,139.14</b>	<b>0</b>	<b>\$ -</b>	<b>0</b>	<b>\$ -</b>	<b>\$ 120,047.33</b>
<b>Other Fishing</b>									
Bering Sea Partner Employment	7	\$ 34,592.32	1	\$ 28,200.00					\$ 62,792.32
O/A Norton Sound Winter Red King Crab	17	\$ 56,141.60	16	\$ 33,388.55					\$ 89,530.15
Misc fish	0	\$ -	0	\$ -					\$ -
Sheefish / Tomcod / Whitefish	3	\$ 564.50	1	\$ 473.50					\$ 1,038.00
O/A Norton Sound Red King Crab	0	\$ -	0	\$ -					\$ -
CDQ Red King Crab	0	\$ -	0	\$ -					\$ -
Norton Sound Salmon	0	\$ -	8	\$ 20,132.00					\$ 20,132.00
Norton Sound Herring	0	\$ -	40	\$ 202,703.43					\$ 202,703.43
NSEDC CDQ Halibut	0	\$ -	0	\$ -					\$ -
<b>Total Other Fishing</b>	<b>27</b>	<b>\$ 91,298.42</b>	<b>66</b>	<b>\$ 284,897.48</b>	<b>0</b>	<b>\$ -</b>	<b>0</b>	<b>\$ -</b>	<b>\$ 376,195.90</b>
<b>NSEDC Community Outreach Liaisons</b>	<b>14</b>	<b>\$ 28,875.00</b>	<b>13</b>	<b>\$ 27,400.00</b>					<b>\$ 56,275.00</b>
<b>NSEDC Community Employment Program</b>	<b>0</b>	<b>\$ -</b>	<b>13</b>	<b>\$ 76,728.00</b>					<b>\$ 76,728.00</b>
<b>Interns</b>									
NSEDC Administration	0	\$ -	0	\$ -					\$ -
NSFR&D	0	\$ -	0	\$ -					\$ -
<b>Total Interns</b>	<b>0</b>	<b>\$ -</b>	<b>0</b>	<b>\$ -</b>	<b>0</b>	<b>\$ -</b>	<b>0</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Fisheries Technicians</b>									
NSEDC Salmon Rehab.	0	\$ -	17	\$ 61,697.89					\$ 61,697.89
Alaska Dept. of Fish & Game	0	\$ -	2	\$ 3,904.25					\$ 3,904.25
Fisheries Development	0	\$ -	4	\$ 12,741.50					\$ 12,741.50
<b>Total Technicians</b>	<b>0</b>	<b>\$ -</b>	<b>23</b>	<b>\$ 78,343.64</b>	<b>0</b>	<b>\$ -</b>	<b>0</b>	<b>\$ -</b>	<b>\$ 78,343.64</b>
<b>GRAND TOTALS</b>	<b>102</b>	<b>\$ 959,574.96</b>	<b>141</b>	<b>\$ 1,431,455.28</b>	<b>0</b>	<b>\$ -</b>	<b>0</b>	<b>\$ -</b>	<b>\$ 2,391,030.24</b>
<b>NSEDC =</b>	<b>49</b>	<b>\$ 624,647.19</b>	<b>97</b>	<b>\$ 832,642.87</b>					<b>\$ 1,457,290.06</b>
<b>NSSP =</b>	<b>34</b>	<b>\$ 176,191.40</b>	<b>99</b>	<b>\$ 469,814.90</b>					<b>\$ 646,006.30</b>
<b>Partners =</b>	<b>19</b>	<b>\$ 158,736.37</b>	<b>15</b>	<b>\$ 128,997.51</b>					<b>\$ 287,733.88</b>

## **Employment Summary**

**Management/Administrative** – Twenty-one employees were employed by NSEDC/NSSP at various offices in the region and fourteen employees were employed at the administrative offices in Anchorage during the quarter.

**CDQ Pollock/Groundfish** – Glacier Fish Company paid wages to fourteen residents of NSEDC member communities, one Western Alaska resident and one former member community resident living in Anchorage, who were employed aboard the *F/V Pacific Glacier*, the *F/V Alaska Ocean* and the *F/V Northern Glacier* during the quarter.

**Community Breakdown:** 6 employees from Unalakleet  
3 employees from Stebbins  
2 employees from St. Michael  
1 employee from Brevig Mission  
2 employees from Gambell  
1 employee from Kaltag  
1 employee from Anchorage

**NSSP Employment (does not include administration)** – Twenty-nine residents of Norton Sound communities and one from outside the region were employed during the quarter.

**Community Breakdown:** 14 employees from Unalakleet  
9 employees from Nome  
5 employees from Savoonga  
1 employee from the Anchorage area

**Other NSEDC Employment** – Eighteen residents of Norton Sound communities and one from outside the region were employed during the quarter.

**Community Breakdown:** 3 employees from Nome  
2 employees from Unalakleet  
3 employees from Golovin  
2 employees from Koyuk  
5 employees from Shaktoolik  
1 employee from Elim  
1 employee from St. Michael  
1 employee from the Anchorage area

**Other Fishing** – Sixteen fishermen delivered 5,137 pounds of open-access Norton Sound winter red king crab to NSSP during the quarter.

**Community Breakdown:** 10 fishermen from Nome  
2 fishermen from Elim  
1 fisherman from St. Michael  
3 fishermen from Golovin

Eight fishermen delivered 40,264 pounds of Norton Sound chum salmon to NSSP during the quarter.

**Community Breakdown:** 7 fishermen from Koyuk  
1 fisherman from Elim

Forty fishermen delivered 984,427 pounds of Norton Sound herring to NSSP/Icicle Seafoods during the quarter.

**Community Breakdown:** 2 fishermen from Nome  
4 fishermen from Elim  
1 fisherman from St. Michael  
9 fishermen from Shaktoolik  
3 fishermen from Stebbins  
21 fishermen from Unalakleet

One fisherman delivered 947 pounds of tom cod and/or other bait fish to NSSP during the quarter.

**Community Breakdown:** 1 fisherman from Unalakleet

One Norton Sound resident worked with NSEDC's partners in the Bering Sea fisheries.

**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 Diomedea  
1 liaison from Savoonga  
1 liaison from Gambell  
1 liaison from Elim  
1 liaison from Golovin

**Table 2**  
**TRAINING DATA FORM**  
**April 1 through June 30, 2013**

	Quarter		Year-to-Date	
	People	Expenditures	People *	Expenditures
<b>Scholarships</b>				
Post-Secondary	89	\$169,167	228	\$424,778
Vocational	17	\$34,000	32	\$64,000
<b>Voc-Tech</b>				
Basic	13	\$1,625	29	\$10,521
Advanced				
<b>Other Training</b>				
Fisheries Related	9	\$28,157	25	\$49,473
CDQ Staff			6	\$11,604
CDQ Board				
Other	10	\$14,000	10	\$14,000
<b>TOTAL</b>	<b>138</b>	<b>\$246,949</b>	<b>330</b>	<b>\$574,376</b>

*\*Year-to-date figures for scholarships represent total scholarships awarded, not unique individuals. Likewise, training figures may count individuals multiple times if they participated in multiple training opportunities.*

### **Training Summary**

**Scholarships:** One hundred five students received funding for post-secondary and vocational education during the quarter. Since awards were made for both fall and summer study during the quarter, three students received two scholarships in the three-month period. One of those students received one vocational and one post-secondary scholarship.

**Voc-Tech:** Thirteen residents of Savoonga attended a NSEDC-sponsored Emergency Trauma Technician (ETT) class in June.

**Fisheries Related:** Nine residents from Elim, St. Michael, Koyuk, Gambell, Brevig Mission, Savoonga and Stebbins received seafood processor and vessel safety training in Seward at AVTEC.

**Other:** Ten educators in the region received training in regard to the culture and traditions of the region's residents at a cultural camp along the Niukluk River.



## **II. Administration**

### **A. Board Activities**

#### **Board of Directors Meetings**

The NSEDC Board of Directors held its 2013 first quarter meetings in Unalakleet, Alaska, May 2-3, 2013.

The NSEDC Board of Directors held a special meeting June 18, 2013 at the William “Jack” Hernandez Hatchery in Anchorage, Alaska, to approve NSEDC’s 2012 financial audit.

#### **Substantial Decisions**

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

- The NSEDC Board of Directors approved NSEDC/NSSP providing a market for a 2013 Norton Sound sac roe herring fishery with a base price of \$350 per ton for 10% roe.
- The NSEDC Board of Directors approved a \$42,000 Community Energy Fund request from the City of Golovin to be used toward the installation of new LED streetlights.
- The NSEDC Board of Directors approved the purchase of two new tender vessels to serve the fishermen of the Norton Sound region.
- The NSEDC Board of Directors approved more than \$760,000 in funding for 22 community and regional entities through NSEDC’s Outside Entity Funding program.
- The NSEDC Board of Directors approved a \$300,000 request from the City of Koyuk to be used toward the construction of a multi-use facility for the community.
- The NSEDC Board of Directors approved NSEDC’s 2012 financial audit.

### III. Harvesting Report

#### A. CDQ Harvest Management

During the quarter NSEDC conducted a number of CDQ fishing activities including the directed harvest of pollock, Pacific cod, Atka mackerel, Pacific Ocean perch, yellowfin sole, rock sole, flathead sole, arrowtooth flounder, sablefish, and Bering Sea opilio crab.

##### **Pollock**

The *F/T Pacific Glacier* and *F/T Alaska Ocean* completed NSEDC's A season pollock harvest of 11,135 tons in the first quarter. B season pollock begins June 10; the *Alaska Ocean* harvested 4,614 tons of CDQ pollock in nine days of fishing in late June, and the *Pacific Glacier* took 2,034 tons in the same time period. That 6,648 tons represents 40% of the 16,717 tons of B season pollock available. The balance of the quota will be harvested in the third quarter. One Chinook salmon was taken as bycatch in the second quarter (68 for the year), and no chum salmon were recorded in harvests (inside the CVOA harvest area, where NSEDC has a quota for chum salmon).

##### **Pacific Cod**

A total of 1,574 tons of Pacific cod was taken in directed fisheries in the second quarter. The *Alaskan Leader* harvested 652 tons, the *Bering Leader* took 41 tons, and the *Bristol Leader* took 881 tons. An additional 27 tons were taken in pollock fishing and 221 tons were taken during flatfish and mackerel pool operations. NSEDC is paid for cod taken in non-directed fisheries. Approximately half of NSEDC's nearly 5,000 tons of cod have been harvested through the second quarter.

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

NSEDC is a participant in two CDQ pools (and manager of one) for Atka mackerel and Pacific Ocean perch, utilizing Glacier Fish Company's *F/T Northern Glacier* and a number of vessels belonging to U.S. Seafoods. Essentially all of NSEDC's allocation of Atka mackerel and Pacific Ocean perch were harvested in the second quarter (except for Area 543 Atka mackerel; retention of that species is prohibited due to Steller Sea Lion restrictions).

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

NSEDC is a participant in (and manager of) a CDQ pool utilizing Glacier Fish Company's *F/T Northern Glacier* to harvest yellowfin sole, rock sole, flathead sole and arrowtooth flounder. In the second quarter the vessel took 161 tons of the yellowfin sole pool (20% NSEDC), 568 tons of the rock sole pool (28% NSEDC), 28 tons of the flathead sole pool (22% NSEDC), and about 27 tons of arrowtooth flounder (22% NSEDC). To date, 10% of the yellowfin sole, 52% of rock sole, 10% of flathead sole and 5% of arrowtooth sole allocation have been harvested for the year.

### **Sablefish**

Sablefish (black cod) fishing opened by regulation in late-March. We have contracted with the *F/V Ballyhoo* to harvest our Bering Sea quota of 27 tons; this was completed in the second quarter. The *F/V Cynosure* will take the Aleutian Islands quota in the third quarter.

### **Halibut**

NSEDC's allocation of CDQ halibut, approximately 77,000 pounds, is reserved for regional harvest. The bulk of this will occur in the 3<sup>rd</sup> quarter.

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

NSEDC's 2012-2013 allocation of Aleutian Islands golden king crab was harvested by the *F/V Aleutian No. 1* in the fourth quarter of 2012. Fishing for the 2013-14 season quota will begin in August.

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

NSEDC's 2012-2013 CDQ allocation of Bristol Bay red king crab (141,354 pounds) was harvested by CVRF in the fourth quarter of 2012. The 2013-14 fishing will begin this winter.

### **Bering Sea Opilio (Snow) Crab**

NSEDC's 2012-2013 CDQ allocation of Bering Sea opilio crab is 1,194,300 pounds, most of which was harvested in the first quarter by CVRF's Sea Boat fleet (*Bering Sea, North Sea and Arctic Sea*) and Diamondback Fisheries' vessel *Ramblin' Rose*. The *Ramblin' Rose* harvested approximately 250,000 pounds of opilio in the second quarter to wrap up NSEDC's CDQ for the 2012-2013 season.

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

Norton Sound red king crab CDQ fishing will take place in the third quarter.

## **B. IFQ Harvest Management**

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

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

All of NSEDC's 2012-2013 Eastern Aleutian Islands golden king crab (about 578,000 pounds) was harvested in 2012. Approximately 225,000 pounds of Western Aleutian Islands golden king crab IFQ owned by NSEDC's wholly-owned subsidiary, KDS, was harvested in the second quarter; the final delivery was made by the *F/V Aleutian No. 1* in early May.

### **Bering Sea Opilio (Snow) Crab**

NSEDC's IFQ allocation of 2012-2013 opilio crab is 1,631,875 pounds, about 90% of which was harvested in the first quarter (fishing opened January 1). Approximately 163,000 pounds of IFQ opilio was delivered in the second quarter to complete the harvest for the year.

### **Sablefish**

NSEDC contracts with Wild Alaskan Seafoods to harvest sablefish (black cod) IFQs in the Gulf of Alaska. During the second quarter WAS harvested 66,288 pounds of Central Gulf sablefish, leaving 87,000 pounds to be harvested in the third quarter. A total of 33,895 pounds was taken in the Western Gulf in the second quarter, with a balance of 17,842 pounds to be harvested.

### **Halibut**

NSEDC's allocation of 11,444 pounds of Area 3B halibut (Gulf of Alaska) will be harvested by Wild Alaskan Seafoods in the third quarter.

## **C. Compliance/Enforcement**

To the best of our knowledge, there were no fishing or vessel violations, illegal activities and/or fines or penalties against any vessels operating under contract to NSEDC.

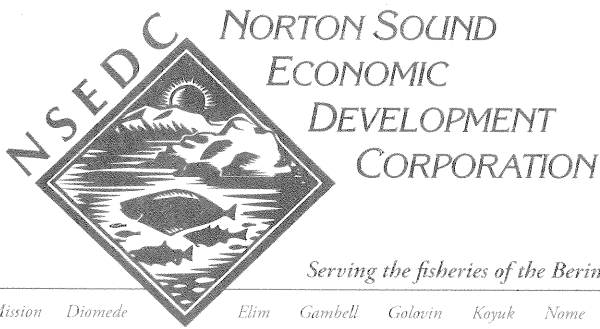
## **IV. Board of Directors April 1 – June 30 Meeting Minutes (Attachments 1 and 2)**

ATTACHMENT 1

2013 First Quarter Meeting Minutes

May 2-3, 2013

Unalakleet, Alaska



**FILE COPY**

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

**Norton Sound Economic Development Corporation  
First Quarter Board of Directors Meeting  
Aaron Paneok/Myles Gonangnan Memorial Hall  
Unalakleet, Alaska 99684  
May 2 & 3, 2013  
9:00 a.m.**

**CALL TO ORDER**

Chairman Dan Harrelson called the NSEDC 2013 First Quarter Board Meeting to order at 9:00 a.m. on May 2, 2013.

**ROLL CALL**

Present at the meeting were Dan Harrelson, Don Stiles, Dean Peterson, Joel James, Eugene Asicksik, Walter Seetot, Truman Kava, Lucy Kitchen, Frank Katchatag, Elvina Naranjo, Milton Cheemuk, and Oscar Takak, Sr. Wilfred Katcheak was present telephonically. Joe Garnie was absent and excused. Orville Ahkinga was absent and may join telephonically later.

Staff present were Janis Ivanoff, Simon Kinneen, Rick Walicki, Kyan Olanna, Virginia Nashalook, Kevin Keith, Charlie Lean, Tyler Rhodes, Tiffany Martinson, Rich Ferry, William Johnson, Kathy Wheelehan and Jerry Ivanoff. John Eckels, Siu Alaska Corporation President/CEO, was also present.

Chairman Harrelson thanked Unalakleet for their good hospitality and taking good care of the board.

**INVOCATION**

Oscar Takak gave the invocation.

Paul Ivanoff III walked in at 9:05 a.m.

**APPROVAL OF AGENDA**

Chairman Harrelson added Annual Reports Rule, Resolution of Recognition: Roy Ashenfelter #2013-04, Golovin Community Energy Fund Request of \$42,378, and Koyuk Multipurpose Facility request of \$300,000 to the agenda under new business.

*Oscar Takak made a motion to approve the agenda, as amended. Elvina Naranjo seconded the motion. The motion passed.*

**APPROVAL OF MINUTES**

1. February 7, 2013

*Dean Peterson made a motion to approve the NSEDC Board Meeting Minutes of February 7, 2013. Oscar Takak seconded the motion. The motion passed.*

**PUBLIC COMMENTS**

No public comments were provided. NSEDC CEO Janis Ivanoff noted the written public comments in the back of the packet.

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

Chairman Harrelson gave the NSEDC Board Chairman's Report. Chairman Harrelson noted that Shishmaref has an effort underway to be included in the CDQ Program and asked Janis what it would take to include them. Janis clarified that Shishmaref was outside of the boundaries of the CDQ program, which requires a community be located within 50 nautical miles from the coast of the Bering Sea. It would require a change in federal law for Shishmaref to be included. Janis noted that Shishmaref receives a number of benefits from NSEDC, including scholarships, training, general assistance and participation in the bulk fuel program. Some programs, like the Community Benefit Share, are not available to Shishmaref. Shishmaref has not contacted NSEDC on this issue.

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

NSEDC CEO Janis Ivanoff gave the CEO's Report, referencing the written report in the board packet. Janis noted that there are new jackets for the board and would like a group photo. NSEDC would provide the day's halibut lunch for board and staff, and would be making lunch deliveries for Unalakleet elders. Janis went over an upcoming board meeting to cover the 2012 NSEDC audit, an update on hatchery feasibility work, and a royalty workshop. She mentioned recognition NSEDC received by Kawerak during their regional conference. Eugene Asicksik questioned the timing of the meeting, noting the proposed date of June 11 may conflict with the herring fishery.

Jacob Ivanoff walked in at 9:13 a.m.

## **FINANCIALS/INVESTMENT PORTFOLIO**

Treasurer Rick Walicki updated the board with the first quarter financials/investment portfolio information.

Chairman Harrelson noted that crab revenues were down this quarter compared to last year. Rick noted a later start to the crab season and a lack of opilio fishing this year compared to last. He said the second quarter will be stronger due to timing issues.

Chairman Harrelson noted the good performance of one particular investment portfolio and wondered if other managers could be asked to adopt a similar composition. Rick agreed that two out of the three investment accounts have met targets more often than the third.

Eugene Asicksik asked how much was recently deposited with Key Bank. Rick replied that a \$500,000 deposit, per the board's guidelines, was deposited just after the quarter's end and, thus, did not show up in the financial report.

Chairman Harrelson thanked Rick for his hard work keeping on top of our financials. A break was called at 9:30 a.m. The meeting reconvened at 9:44 a.m.

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

### **1. Glacier Fish Company-executive session**

Siu Alaska Corporation President/CEO John Eckels gave an update to his written report provided in the packet. The *Aleutian No. 1* has finished fishing until August. Work is underway to prepare the *Patricia Lee* for fishing. Both vessels will be included in a management organization called Siku Holdings LLC.

John noted the Glacier Fish Company quarterly report provided. Roe prices and recovery mean 2013 will likely not be as strong a year as 2012, which was a good year for GFC.

The *Glacier Bay* has finished the season and is receiving shipyard work. Insurance may cover costs due to chronic shaft problems with the boat.

Efforts to sell the *Pacific Star* hit a snag when the buyer fell through at the last minute. The vessel is still listed. Dean Peterson asked about an inventory of equipment on the vessel. John replied that we do have an inventory and all the equipment on board is included in the sale offering.

John informed the board on the issues concerning the finances and operations of Dutch Harbor Acquisitions/Bering Fisheries plant in Dutch Harbor. John noted that the Siu Alaska Corporation board met and established a timeline for certain issues to be resolved; including receivables owed NSEDC and Aleutian No. 1 LLC. He said Siu may need to take a different direction with this investment. Chairman Harrelson asked on when payments could be expected to NSEDC/A1. John said significant payment is expected within 14 days and full payment in 30 days. John said the plant has a large inventory that needs to be moved. Eugene questioned the makeup of the inventory. John noted it is primarily crab and is all marketable. Chairman Harrelson asked if selling the entire inventory would put the plant in the black. John said he did not know, but that with a stable crab supply, the plant could do well. Eugene asked if the receivables DHA owed were spread equally among the partners in A1. John said the partners are sharing the burden. Chairman Harrelson said he wanted to be assured that NSEDC and Siu were not taking disproportionate hits if money is owed.

John updated the board on BSAI Partners, which is operating smoothly and profitably. Its vessels are currently done for the season. BSAI has decided to sell the *F/V Bulldog*, an old boat built in the 1940s. Eugene asked for clarification on any fishing rights held by the vessel. John said there were no rights attached to the boat other than the possibility of a small amount of cod quota if the fishery were to be rationalized.

John said Siu is not actively pursuing any investment opportunities at this time. There has been mention of a cod liver oil production with DHA and an inquiry about potentially including product in military sales, a very new and tentative idea.

John noted the conclusion of Siu's IRS audit and that all issues were resolved.

Eugene questioned if there was any connection between the KDS crab quota purchase and a failed attempt in the Legislature to preserve hair crab permits. John replied that the king crab associated with the KDS purchase was in no way related to the Legislature's consideration of hair crab permits.

Chairman Harrelson asked John about the partner joining Siku Holdings LLC with Siu and BAT. John noted that Siu considered other options but felt the current partner brought considerable fishing and business experience.

Eugene Asicksik asked about KDS Crab quota, and wondered if the *F/V Aleutian No. 1* harvested it. John said the A1 harvested about 600,000 pounds of that quota this year.

*Oscar Takak made a motion to go into executive session to discuss business pertaining to Glacier Fish Co. at 10:18 a.m. Elvina Naranjo seconded the motion. The motion passed.*

*Oscar Takak made a motion to return to regular session at 10:21 a.m. Lucy Kitchen seconded the motion. The motion passed.*

## MANAGERS' REPORTS

### 1. Quota Management-Simon Kinneen

Simon Kinneen gave the quota management report, noting that harvests are going a little slow with pacific cod, but everything else is going well. Chairman Harrelson asked for clarification on current royalty agreements and negotiations with Glacier Fish Company. Simon said discussions would likely occur soon.



2. Southern and Northern NSSP

a. Southern NSSP-William Johnson

William "Middy" Johnson gave the Southern NSSP report, saying salmon preparations are starting with the installation of new equipment in the Unalakleet plant. Various NSSP staff are receiving training in areas such as HACCP and inventory tracking.

Middy noted the plan to harvest about 800 tons of herring with Icicle. The negotiations are on tenders and processing operations plans. Middy went over the financial projections of the operation with the plan to pay \$300 a ton for ten percent roe. Dean Peterson asked for clarification on the amount of monies coming back with the harvest of the 800 ton, which is going to require mobilization of our herring fishing fleet. Dean recommended paying \$350 a ton for 10% herring roe to encourage our fleet to mobilize, noting we need to pay a good price to entice our fishermen to get their boats in the water. Eugene noted his conflict of interest as a herring fisherman, but said he would like a better price. Eugene expressed concern with the tendering plan and its ability to keep up with fishermen. Middy said the plan included extra tendering capacity that could divert product from the principal tender fleet and processor, allowing fishermen to continue strong early in the fishery. Discussion ensued on how to set the pricing to fishermen for the fishery. Don Stiles encouraged a better price paid to our fishermen. The board settled on \$350/ton for 10% roe with a sliding scale of \$20 per full percentage point. \$200 will be paid for 7% roe, the lowest value accepted for the sac roe fishery. Everything under 7% will be purchased as bait for \$100/ton. Oscar Takak and Milton Cheemuk noted their conflicts of interest as herring fishermen. No board members objected to the herring fishermen voting.

*Don Stiles made a motion to increase the herring price per ton to \$350.00 using a sliding scale for more or less than ten percent roe. Dean Peterson seconded the motion.*

Eugene asked for clarification on the sliding scale. Eugene also asked about a drop-dead date of June 20<sup>th</sup> before Icicle will have to move out. Simon said he believed the June 20 date is correct.

*The motion passed with Eugene Asicksik, Oscar Takak and Milton Cheemuk noting their conflicts of interest.*

A break was taken at 10:50 a.m. The meeting reconvened at 11:02 a.m.

Eugene Asicksik asked about a tow from Cape Denbigh to the herring fishing grounds, as there has not been kelp on the cape for a couple years. Eugene noted the amount of kelp to the south is far more than the northern portion of Norton Sound.

b. Northern NSSP-Rich Ferry

Rich Ferry gave the Northern NSSP Report. The winter open access crab season will be open until May 15, 2013. He reported on an effort to make hand-lining a legal method of commercially harvesting crab.

Rich anticipates an increase in crab quota this season and noted a reduction in halibut quota. Savoonga will be prioritized over Nome for halibut deliveries earlier in the season. Chairman Harrelson asked how Savoonga halibut will be handled if it is landed while the crab fishery is still occurring. Rich said it will likely be sold H&G, with some shipped to Anchorage directly from Savoonga and some passing through Nome to be re-iced and shipped out. Some filleting may occur in Nome. The plan is to not purchase halibut in Nome until the crab season concludes. Chairman Harrelson questioned the possibility of filleting halibut in Savoonga. Rich said there is inadequate refrigeration capacity and exposed fillets on ice have a high risk of spoilage.

Rich reported on efforts to change regulations to allow small-scale cod fisheries in Alaska. Currently a LLP is needed to fish cod, which only two boats in the Norton Sound fleet possess. Rich also reported on

efforts in Savoonga to fish herring for bait for the halibut fishery. Locally sourced bait would cut down on costs in the fishery.

Dean Peterson noted that live crab are commanding a higher price and that we should pursue that market to get the best price we can. Given the increased quota, he asked if staff were anticipating problems moving the crab. Rich said a live facility in Anchorage is necessary to make live sales work. NSSP can't count on live sales alone, however, since much of our crab is A grade it will not sell well in the live market. The answer is finding the right mix of live and frozen sections. Rich does not anticipate crab prices will be as good as last year. Rich recommended keeping our relationship with our Japanese buyers while also looking elsewhere for other markets, such as Korea. Frank Katchatag spoke to the news reports about high deadloss of live crab when sold to Korea. Rich noted his mixed success with shipping live crab to Korea, and said orders are set up so that the buyer takes responsibility of the crab at the Nome airport. In regard to the domestic market, Eugene asked if The Crab Broker is still around. Rich stated that he was around, but he is busy elsewhere.

Frank Katchatag asked about the nets provided to Savoonga for a test herring fishery. Rich noted that the Savoonga herring fishery would be different than the sac roe fishery. Frank Katchatag voiced his support of the herring bait harvest in Savoonga and Gambell.

Chairman Harrelson asked if the NSSP capital projects are budgeted for and on track. Rich said there is work to be done on the second floor of the Nome plant and scheduled projects for Savoonga, but he has not had time to address them. Rich recommended NSEDC hire a project manager to take care of items like capital improvements, making sure the paperwork and details are addressed. Chairman Harrelson voiced his disappointment in Rich's announced resignation and thanked Rich for his hard work.

### 3. Written Reports

Chairman Harrelson noted the written reports submitted by managers and asked if there were any questions.

#### a. Community Benefits Department-Paul Ivanoff III

Eugene Asicksik asked to close out the Shaktoolik Teen Center and the Shaktoolik Washeteria grants. Eugene noted that Sterling was in Shaktoolik after the last board meeting. Paul Ivanoff informed him that he would check on these two projects. Joel James asked for clarification on reimbursements for meter base expenses for the City of Gambell. Joel wondered where the paperwork is getting lost. Paul said he had not seen any request but will check on it.

Paul reported receiving an updated plan from Mark Johnson regarding a proposed pellet stove pilot project. Staff will review the proposal and see if any improvements can be made before presenting it to the board.

Lucy Kitchen inquired about Wales not receiving a portable welding unit. Paul believed the community declined to participate in the portable welding unit program. Chairman Harrelson said if Wales were to send a letter and formally request a unit, the request could be entertained at the next board meeting.

Eugene asked if NSEDC participated in the community tax assistance program. Paul replied that the program was a partnership between NSEDC, Kawerak and the state's Small Business Development Center. They made it to every community except Diomedea.

Elvina Naranjo spoke to the Native Village of Koyuk's burn project, which the report shows as closed out. Paul Ivanoff informed her that all the NSEDC funds were spent. Chairman Harrelson asked if Koyuk had a burn box. Elvina said it currently did not. One was constructed from a used fuel tank, but the metal proved too soft.

b. EET Department-Jerry Ivanoff

Eugene Asicksik asked about the application of NSEDC's residency policy for a specific resident he believed had not lived in the region for some time but is receiving NSEDC scholarships. Janis and Jerry noted the individual has been going to school continuously and worked for NSEDC in Anchorage, both of which are allowable absences from the region.

Dean Peterson reported hearing from a parent in Unalakleet who expressed gratitude that their daughter was gainfully employed with Glacier Fish Company. The parent said it has been real good for their family.

c. HR Department-Tiffany Martinson

Tiffany Martinson noted her work with the health insurance for board and staff. She gave a brief update on how new federal health care legislation may affect regional residents. Every American will soon have to prove they have access to health insurance. Access to Indian Health Services counts. The new law will impact NSEDC in how we categorize employees in regard to their eligibility for insurance. This will apply next season. Chairman Harrelson spoke to the need to cover our seasonal employees, which would affect our operational budget.

d. Norton Sound Fisheries Research and Development-Charlie Lean

Charlie Lean hoped to have some details on the feasibility study for a regional hatchery in Norton Sound at the June meeting. Eugene Asicksik asked Charlie about the salmon hatchery wondering if the ADF&G Comprehensive Salmon Plan trumped our plan. Charlie explained that any hatchery around the state needs to get the blessings of the regional aquaculture association and the Regional Planning Team, which involves ADF&G. Charlie reminded the board that at this point, NSEDC is only engaging in a feasibility study and not actually proposing a project at this point.

Dean Peterson reported speaking with Art Nelson from the Bering Sea Fishermen's Association who inquired about a vacant seat for a Norton Sound resident with the organization. Charlie Lean noted that the BSFA generally has three representatives from the Norton Sound region. Steve Ivanoff has represented our area with BSFA. Eugene stated that he has not been very active with BSFA and has considered resigning, as have the previous two representatives.

e. Vessel Management-Darrin Otton

Chairman Harrelson noted that Darrin Otton returned to Nome with other commitments. Chairman Harrelson asked for an update on the *F/V Daniel D Takak*. Simon stated both an insurance adjuster and a naval architect have looked at the vessel and come to different conclusions on the extent of damage and what it would take to get the vessel to pre-loss condition. The naval architect appears to believe there is more damage than estimated by the adjuster. Chairman Harrelson asked if we would be able to recoup our costs on the vessel. Simon reported that between a settlement and sale of the hull, the numbers should be close. Simon confirmed it is not NSEDC's intent to repair the vessel and add it to the fleet.

Eugene Asicksik asked about a trailer being built for the *F/V Egavik* and the possibility of storing our tenders in Nome. Simon said we are investigating the lease of an area near the port for storage. Chairman Harrelson questioned the suitability of buildings near the Nome office for storage and maintenance of vessels, noting it would be better to store our own equipment rather than pay long-term leases. Simon said current buildings are too small.

NSEDC CEO Janis Ivanoff requested a group picture of the NSEDC Board of Directors before lunch.

Lunch break was taken at 12:06 p.m. until 1:30 p.m. The meeting reconvened at 1:32 p.m.

**COMMITTEE REPORTS**

## 1. Executive Committee Report

Chairman Harrelson gave the NSEDC Executive Committee report, noting the discussion held over the recommended purchase of tender vessels.

*Oscar Takak made a motion to move forward with the purchase of two tender vessels, as discussed in the Executive Committee. Don Stiles seconded the motion.*

Chairman Harrelson noted that it would cost approximately \$4 million for the first vessel. Eugene Asicksik questioned if the price was still negotiable, noting he had been outvoted in the past for more regional seafood plants and RSW barges. He asked how much the lease on the Unalakleet fish plant is. Janis replied it was \$100,000 annually. Eugene said that is \$1 million over 10 years, and expressed the need for economic development and jobs in communities. Unalakleet plant manager Middy Johnson said tendering needs will still exist, even if new plants are constructed in the region. Eugene noted the troubles with developing the *Daniel D. Takak* and still having no boat. Oscar Takak noted that we will be moving product from Elim, Norton Bay, and other places, so we have a need for these tender vessels. Don Stiles spoke to possible opportunities for our fishermen to participate in Gulf of Alaska fisheries with the new vessels. Don noted the amount of money and work being put into the current vessels and the need to build tender vessels to take care of our products and our fishermen. Chairman Harrelson noted that a firm cost estimate will be coming back after the initial planning. Simon said some level of commitment now could keep the builders moving forward with engineering. Looking at the timeline, Don Stiles felt that if we delay until June the vessel won't be ready in time for the 2014 season.

*Chairman Harrelson requested a roll-call vote, which reflected twelve voting yes (Harrelson, Peterson, Naranjo, Stiles, Kava, Katcheak, Takak, James, Kitchen, Cheemuk, Seetot, Katchatag), one voting no (Asicksik), and two absent (Garnie, Ahkinga). The motion passed.*

*Rep. Neal Foster walked in at 1:46 p.m. and out at 1:50 p.m.*

*Oscar Takak made a motion to pass NSEDC Resolution 13-03-Approval of 2012 NSEDC Annual Statement of Compliance. Dean Peterson seconded the motion. The motion passed.*

## 2. Rules &amp; Bylaws Committee Report

Chairman Stiles gave the NSEDC Rules & Bylaws Committee Report, noting that language will be brought back to the board regarding meeting attendance.

No action required.

## 3. Scholarship Committee Report

Chairman Seetot gave the NSEDC Scholarship Committee Report. No action required.

## 4. NSSP Working Group

Chairman Takak gave the NSSP Working Group Report. No action required.

## 5. Fisheries Development Committee Report

Chairman Takak gave the NSEDC Fisheries Development Committee Report. No action required.

## 6. Finance Committee Report

Chairman Harrelson gave the NSEDC Finance Committee Report, noting actions items for an increase in loan caps and a budget amendment. He also presented suggested language to the loan program that would limit fishermen to one loan for a large vessel and a LLP.

*Eugene Asicksik made a motion to approve the NSEDC Finance Committee Report with its recommendations for a budget amendment for a vessel and an increase in the caps for NSEDC's loan programs. Milton Cheemuk seconded the motion. The motion passed.*

*Oscar Takak made a motion to limit the number of large vessel loans by our fishermen to one, for the purchase of a single vessel, an LLP and gear for use with that vessel in a Norton Sound fishery. Dean Peterson seconded the motion.*

Don Stiles clarified that our fishermen can receive only one large vessel loan. Milton Cheemuk asked about the possibility to upgrade the boats. Chairman Harrelson clarified that an additional loan to repower or repair the vessel would be allowed. Eugene asked if fishermen can have only one revolving loan. Chairman Harrelson stated that our fishermen can get only one revolving loan at a time. Janis Ivanoff clarified that current loans that would go against this policy will be grandfathered in. Eugene asked about the ability of fishermen to receive new loans as they paid off their existing debts. Janis explained that as loans are paid off, the remaining balance up to the cap is again available to fishermen.

*The motion passed.*

A break was taken at 2:16 p.m. The meeting reconvened at 2:28 p.m.

### **OLD BUSINESS**

*Elvina Naranjo made a motion to go into executive session for the litigation update and the KDS Update at 2:29 p.m. Lucy Kitchen seconded the motion. The motion passed.*

1. Litigation Update-executive session
2. KDS Update-executive session

*Elvina Naranjo made a motion to return to regular session at 2:41 p.m. Lucy Kitchen seconded the motion. The motion passed.*

3. Shaktoolik Multi-purpose Building Update

NSEDC CEO Janis Ivanoff gave an update on the Shaktoolik Multi-purpose Building with the assistance of Paul Ivanoff III. Paul noted that Sterling Gologergen travelled to Shaktoolik to help move the application along. Chairman Harrelson congratulated Eugene for a well put-together package. Eugene thanked the board.

### **NEW BUSINESS**

1. 2013 Outside Entity Funding
  - a. Community Funding

*Don Stiles made a motion to approve all recommendations of the community review committees. Oscar Takak seconded the motion.*

Paul Ivanoff III informed the board that in addition to the proposals in their packet, the Diomedea Community Review Committee recommended approval of a \$100,000 OEF request for a waste disposal facility. Don said his motion would include the Diomedea proposal. Janis asked which communities did not submit a proposal. Paul informed her that Shaktoolik, Stebbins and Savoonga did not, so their funds will carry forward.

*The motion passed.*

- b. Regional Entity Funding

Paul Ivanoff III introduced the four regional OEF funding requests for the Covenant Youth of Alaska "Leaders for Life" program, the Kawerak/Bering Strait Health Consortium Nursing Degree Program, the Native Village of Unalakleet Elders' Services Program, and the Nome Emergency Shelter Team (NEST). Don Stiles spoke in favor of the nursing program, which provides good employment in our region. Lucy Kitchen spoke in favor of the nursing and the Nome Emergency Shelter. Don Stiles noted that Nome did not support this proposal since it called for office space and an employee. Paul noted receiving a verbal

communication that the NEST request had changed in light of the program receiving other funds. Eugene Asicksik asked how much money was available for the regional OEF requests. Paul replied that \$100,000 is available. Eugene spoke to the Covenant Youth Proposal, noting a recent suicide in Shaktoolik and the need for guidance and support for youth. Chairman Harrelson asked for details in how NSEDC funded the nursing program in the past. Paul noted that NSEDC has funded this program in three different years. Eugene asked if Kawerak was charging an administrative fee in their nursing proposal. Chairman Harrelson and Paul Ivanoff clarified that both Kawerak and Norton Sound Health Corporation were listing fees as in-kind donations.

*Dean Peterson made a motion to fund the Kawerak/Bering Strait Health Consortium Nursing Degree Program. Lucy Kitchen seconded the motion. The motion passed.*

*Weaver Ivanoff entered the room at 2:55 p.m.*

Chairman Harrelson thanked Weaver Ivanoff for Unalakleet's hospitality.

The meeting was recessed at 3:01 p.m. until 9:00 a.m. May 3.

May 3, 2013 9:30 a.m.

Chairman Harrelson reconvened the meeting at 9:30 a.m. on May 3, 2013.

2. Annual Reports Rule-WACDA Resolution 13-02

NSEDC CEO Janis Ivanoff introduced the WACDA annual reports rule.

*Don Stiles moved, seconded by Dean Peterson, to adopt WACDA Resolution 13-02: Annual Reports Rule. The motion passed.*

3. Resolution of Recognition: Roy Ashenfelter

NSEDC CEO Janis Ivanoff introduced NSEDC Resolution 13-04 honoring Roy Ashenfelter for his 25-plus years of service on the Northern Norton Sound Advisory Committee.

*Dean Peterson made a motion to pass NSEDC Resolution 13-04-Expressing Appreciation and Recognition of Roy Ashenfelter's Years of Service. Oscar Takak seconded the motion. Chairman Harrelson directed staff to make a plaque of recognition for presentation with this resolution. The motion passed.*

4. Golovin Community Energy Fund request of \$42,378

*Oscar Takak made a motion to approve the Golovin CEF request of \$42,378. Dean Peterson seconded the motion.*

Chairman Harrelson asked if there was a sunset on the Community Energy Fund. Paul Ivanoff said the program is currently set to sunset this year, 2013.

*The motion passed.*

5. Koyuk Request for Multi-Purpose Facility-\$300,000.00

Chairman Harrelson reminded the board that, in the past, \$99,999 to \$300,000 was given for community buildings. He expressed his support of the proposal even with it being submitted out of cycle.

*Oscar Takak made a motion to approve the request for \$300,000 for a Koyuk Multi-Purpose Facility. Joel James seconded the motion.*

Don Stiles noted that this proposal was well drafted and everything is there. Eugene noted it looked like a grant-writer worked on it.

*The motion passed.*

**PUBLIC COMMENTS**

No public comments provided.

**BOARD COMMENTS**

- Oscar Takak thanked Unalakleet for hosting. Be safe hunting!
- Lucy Kitchen offered best wishes to Rich Ferry. The City of Wales was thankful for the halibut.
- Elvina Naranjo thanked the board for their support of the Koyuk proposal.
- Truman Kava had no comment.
- Milton Cheemuk stated that every meeting is a learning experience for him. Getting braver.
- Eugene Asicksik stated that the Community of Shaktoolik thanked NSEDC for the \$300,000 for the multi-use facility. Both the \$100,000 and \$300,000 will go toward material.
- Walter Seetot had no comment.
- Frank Katchatag thanked the board and staff for having the meeting in Unalakleet. You are always welcome! Thanks to staff. Good to see everyone.
- Joel James apologized for not bringing muktuk to everyone as he was hobbling.
- Dean Peterson said this was a good meeting and we have our work cut out for us after losing an employee. But it is something we can work through. Thanks to community of Unalakleet for a positive place to have a meeting.
- Don Stiles thanked the board for supporting our fishermen and providing funding for tenders that will come online in the next two years. Thank you for the support of the herring and salmon fisheries.
- Chairman Harrelson thanked Unalakleet for having us. Thanks to Middy, Paul, and Jerry for making the board feel welcome. Thanks to staff. Thanks to scholarship program and for dealing with appeals fairly and promptly.
- Wilfred Katcheak stated it was difficult to do the meeting telephonically.
- NSEDC President/CEO Janis Ivanoff noted that we will continue to look at a June meeting date and make sure it does not interfere with herring fishing.

**ADJOURNMENT**

*Elvina Naranjo made a motion to adjourn the NSEDC 2013 First Quarter Board Meeting at 9:40 a.m. on May 3, 2013. Lucy Kitchen seconded the motion. The motion passed.*

\_\_\_\_\_  
Dan Harrelson, Chairman

\_\_\_\_\_  
Jerry Ivanoff, NSEDC Corporate Secretary

\_\_\_\_\_  
Date

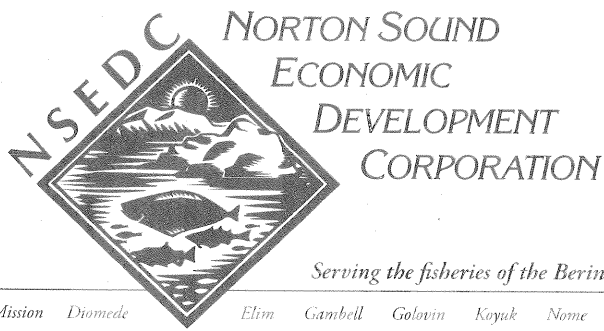
ATTACHMENT 2

June 18 Special Meeting Minutes

June 18, 2013

Anchorage, Alaska





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

Norton Sound Economic Development Corporation  
 Special Board of Directors Meeting  
 William "Jack" Hernandez Hatchery  
 June 18, 2013  
 9:15 a.m.

CALL TO ORDER

Chairman Harrelson called the meeting to order at 9:05 a.m.

ROLL CALL

Present: Eugene Asicksik, Joe Garnie, Dan Harrelson, Joel James, Frank Katchatag, Wilfred Katcheak, Truman Kava, Lucy Kitchen, Elvina Naranjo, Dean Peterson, Don Stiles and Oscar Takak. Orville Ahkinga and Milton Cheemuk were absent and excused. Walter Seetot was absent.

Staff present: Janis Ivanoff, Simon Kinneen, Kyan Olanna, Tyler Rhodes, Josh Osborne, Rick Walicki, and Darrin Otton. Charlie Lean arrived at 11:00 a.m.

Public present were Tim Altman of Altman, Rogers & Co. until 10:00 a.m., Don Hanni also of Altman, Rogers & Co. was present until 10:15 a.m., and Sam Rabung of the Alaska Department of Fish and Game arrived at 11:00 a.m.

INVOCATION

Oscar Takak gave the invocation.

APPROVAL OF THE AGENDA

Wilfred Katcheak requested that CEO Evaluation and Board Compensation be added to the agenda under Old Business.

*Eugene Asicksik moved, seconded by Oscar Takak, to approve the agenda as amended. The question was called. The motion passed unanimously.*

WAIVER OF APPROVAL OF MINUTES

*Oscar Takak moved, seconded by Lucy Kitchen, to waive approval of the minutes of May 2 & 3, 2013. The question was called. The motion passed unanimously.*

OLD BUSINESS

*Lucy Kitchen moved, seconded by Wilfred Katcheak, to go into executive session. The board went into executive session at 9:08 a.m.*

CEO Evaluation

This was discussed in executive session.

Board Compensation

This was discussed in executive session.

NEW BUSINESS

2012 Audit

This was discussed in executive session.

The board took a 10-minute break at 10:30 a.m.

Quota Royalty Presentation

This was discussed in executive session.

Charlie Lean and Sam Rabung joined the meeting at 11:00 a.m.

Tender Vessel Update

This was discussed in executive session.

The board took an hour lunch break at 11:50 a.m.

2013 Crab Season

This was discussed in executive session.

The board took a break to tour the William “Jack” Hernandez Hatchery. Upon return, Chairman Harrelson requested a motion to return to regular session.

*Elvina Naranjo moved, seconded by Frank Katchatag to return to regular session. The board returned to regular session at 2:17 p.m.*

*Don Stiles moved, seconded by Oscar Takak, to move forward with the tender vessel proposal, starting construction of the first tender vessel as soon as possible and negotiating the price for a second tender vessel. The question was called. The motion passed with only Eugene Asicksik opposed.*

*Elvina Naranjo moved, seconded by Dean Peterson, to approve the 2012 Audit as presented and discussed.*

Under discussion, Joe Garnie asked if this is the final draft of the audit. It was clarified that once approved by the board, the audit becomes final; none of the numbers will change. The report reviewed and approved by the board will be the basis for the report provided in the annual report.

*The question was called. The motion passed unanimously.*

SALMON HATCHERY WORKSHOP

The workshop began at 2:25 and concluded at 4:05 p.m.

Before adjourning, Joe Garnie asked Janis Ivanoff, as NSEDC’s representative to the Unaatuq LLC board, what work Unaatuq has done with Mary’s Igloo to obtain an easement for the drilling scheduled this summer at Pilgrim Hot Springs. Janis stated Unaatuq has just started discussion with Mary’s Igloo. Joe expressed the frustration Mary’s Igloo has with Unaatuq restricting access to the property.

*Don Stiles moved, seconded by Oscar Takak, to adjourn the meeting. The meeting adjourned at 4:12 p.m.*