

FOR DISTRIBUTION

2013 FOURTH QUARTER REPORT

October 1 – December 31, 2013



NORTON SOUND ECONOMIC DEVELOPMENT CORPORATION

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I. Quarterly Highlights

- The NSEDC Board of Directors held its 2013 third quarter meetings in Unalakleet, Alaska, November 6-8, 2013.
- The NSEDC Board of Directors held a special meeting in Anchorage, AK, December 2-4, 2013.
- The NSEDC Board of Directors declared a \$150,000 Community Benefit Share to each of the corporation's 15 member communities, waiving the share's \$100,000 cap and granting an additional \$50,000 per community. This totaled \$2.25 million in Community Benefit Share allocations for the year.
- The NSEDC Board of Directors approved an \$85,000 donation to the Alaska Center for Energy and Power (ACEP) for furthering the development of the geothermal source located on Unaatuq, LLC's property at Pilgrim Hot Springs.
- The NSEDC Board of Directors declared a \$500 per household energy subsidy for residents in NSEDC member communities to be applied toward electric utility bills.
- The NSEDC Board of Directors voted to raise the amount available to residents for scholarships to \$2,250 per semester from the previous limit of \$2,000.
- A panel of independent judges awarded \$105,000 in NSEDC grants to five Small Business Initiative applicants to apply toward their nascent or growing small businesses located in NSEDC member communities.
- The NSEDC Board of Directors approved an Outside Entity Funding Request from the Golovin Native Corporation of \$159,947 for the rock quarry project.
- The NSEDC Board of Directors approved a \$500,000 Shoreside Infrastructure grant for the City of Nome's Middle Dock project.
- The NSEDC Board of Directors welcomed Shaktoolik's Harvey Sookiayak and Brevig Mission's Lillian Olanna to the board.
- Orville Ahkinga from Diomede, Frank Katchatag from Unalakleet, and Dan Harrelson from White Mountain were re-elected to the NSEDC Board of Directors.
- Simon Kinneen accepted a position as NSEDC's Quota and Acquisitions Manager.
- Tyler Rhodes was promoted to NSEDC's Chief Operating Officer.
- Wesley Jones was promoted to NSEDC's Norton Sound Fisheries Research and Development Program Director.
- NSEDC donated \$90,000 to Northwest Alaska Career and Technical Center (NACTEC) for vocational education programs for students throughout the Norton Sound region.
- NSEDC hosted a picnic in Elim to celebrate the first successful season of the community's fishery buying station and fishery support building.
- The Shaktoolik Multi-Purpose Facility, funded partially through NSEDC Outside Entity funding, was completed in December and is now in use.

- Norton Sound Seafood Products purchased 22,723 pounds of finfish from 28 resident fishermen for the winter bait fishery.
- Norton Sound Seafood Products saw a fourth quarter increase from 2012 in non-regional retail sales for winter Norton Sound red king crab, attributed to increased advertising on a web and national level.
- Six residents of NSEDC member communities, one Western Alaska resident and a former member community resident, now living in Anchorage, worked on the *F/V Pacific Glacier* and the *F/V Alaska Ocean*, earning more than \$78,500 in wages during the quarter.
- Fifty-six BSSD students learned about various vocational opportunities during the 2013 NSEDC-funded Career Exploration Trip, traveling to Anchorage and Seward.
- Nine Norton Sound residents attended and successfully completed a NSEDC-sponsored seafood processing class at AVTEC, receiving certificates.
- Thirty-four Elim residents and ten White Mountain residents completed a NSEDC-sponsored Driver's Permit Workshop.
- Five Unalakleet High School students completed a Marine Safety Drill Conductor course taught by NSEDC Senior Crew Leader Jacob Ivanoff.

A. Outreach

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

- The NSEDC Board of Directors held its 2013 third quarter meetings in Unalakleet, Alaska, November 6-8, 2013.
- The NSEDC Board of Directors held a special meeting in Anchorage, Alaska, December 2-4, 2013.
- NSEDC's Board of Directors notified residents of the 2013 third quarter meetings through advertisements in the Nome Nugget newspaper.
- NSEDC provided interviews and information regarding its third quarter board meetings for news coverage on both KNOM Radio and the Nome Nugget Newspaper.
- NSEDC announced Small Business Initiative awards in a press release and a Nome Nugget article.
- NSEDC produced a newsletter highlight NSEDC programs, opportunities and updates, sending it to each boxholder in member communities and posting it on NSEDC's website.
- Norton Sound Fisheries Research and Development employees attended a meeting of the Northern Norton Sound Advisory Committee in Nome.
- Norton Sound Fisheries Research and Development employees provided comments on the Board of Fish crab proposals for the Southern Norton Sound Advisory Committee.

- NSEDC biologist Kevin Keith gave a presentation to NACTEC students on NSEDC and fishery-related careers.
- NSEDC Biologist Wes Jones gave a presentation on spiny king crab in the Bering Strait/Norton Sound region at the Interagency Crab Meeting in Anchorage.
- NSEDC Senior Crew Leader Jacob Ivanoff taught a Marine Safety Drill Conductor course to a Unalakleet High School commercial fisheries class.
- NSEDC staff traveled to several member communities to assist with the implementation of NSEDC grants and other benefit programs.
- 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) 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 11 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 flyers, applications, and other information to circulate within their communities.

B. Employment

Table 1
EMPLOYMENT DATA FORM
December 31, 2013

	Q1		Q2		Q3		Q4		Year-to-Date
	People	Wages	People	Wages	People	Wages	People	Wages	Wages
Management/Administrative									
NSEDC - In-region	16	\$ 309,178.72	16	\$ 310,782.90	16	\$ 209,165.45	17	\$ 321,006.24	\$ 1,150,133.31
NSEDC - Anchorage	12	\$ 261,685.28	14	\$ 244,249.19	11	\$ 137,900.49	12	\$ 229,460.06	\$ 873,295.02
NSSP - In-region	5	\$ 97,707.22	5	\$ 109,664.20	5	\$ 83,646.39	5	\$ 96,883.50	\$ 387,901.31
Total Management/Administrative	33	\$ 668,571.22	35	\$ 664,696.29	32	\$ 430,712.33	34	\$ 647,349.80	\$ 2,411,329.64
CDQ Pollock/Groundfish Related	12	\$ 124,144.05	14	\$ 100,797.51	10	\$ 97,318.55	6	\$ 61,045.47	\$ 383,305.58
Total NSSP Employment (seasonal)	9	\$ 21,778.08	29	\$ 103,453.22	168	\$ 727,385.28	115	\$ 48,838.57	\$ 901,455.15
Other NSEDC Employment									
Skippers, Deckhands, Shoreside, etc.	7	\$ 24,908.19	18	\$ 95,139.14	26	\$ 399,094.19	21	\$ 156,454.20	\$ 675,595.72
Clean Waters Program	0		0	\$ -	16	\$ 73,158.42	2	\$ 3,800.00	\$ 76,958.42
Total Other NSEDC Employment	7	\$ 24,908.19	18	\$ 95,139.14	42	\$ 472,252.61	23	\$ 160,254.20	\$ 752,554.14
Other Fishing									
Bering Sea Partner Employment	6	\$ 34,592.32	1	\$ 28,200.00	0	\$ -		\$ -	\$ 62,792.32
O/A Norton Sound Winter Red King Crab	17	\$ 56,141.60	16	\$ 33,388.55	0	\$ -		\$ -	\$ 89,530.15
Misc fish	0	\$ -	0	\$ -	2	\$ 102.92		\$ -	\$ 102.92
Sheefish / Tomcod / Whitefish	3	\$ 564.50	1	\$ 473.50	0	\$ -	28	\$ 11,354.50	\$ 12,392.50
O/A Norton Sound Red King Crab	0	\$ -	0	\$ -	32	\$ 1,735,076.25		\$ -	\$ 1,735,076.25
CDQ Red King Crab	0	\$ -	0	\$ -	4	\$ 101,249.50		\$ -	\$ 101,249.50
Norton Sound Salmon	0	\$ -	8	\$ 20,132.00	126	\$ 1,167,979.65		\$ -	\$ 1,188,111.65
Norton Sound Herring	0	\$ -	40	\$ 202,703.43	0	\$ -		\$ -	\$ 202,703.43
NSEDC CDQ Halibut	0	\$ -	0	\$ -	22	\$ 189,654.22		\$ -	\$ 189,654.22
Total Other Fishing	26	\$ 91,298.42	66	\$ 284,897.48	186	\$ 3,194,062.54	28	\$ 11,354.50	\$ 3,581,612.94
NSEDC Community Outreach Liaisons	14	\$ 28,875.00	13	\$ 27,400.00	12	\$ 27,375.00	11	\$ 24,750.00	\$ 108,400.00
NSEDC Community Employment Program	0	\$ -	13	\$ 76,728.00	0	\$ -			\$ 76,728.00
Interns									
NSEDC Administration	0	\$ -	0	\$ -	0	\$ -		\$ -	\$ -
NSFR&D	0	\$ -	0	\$ -	0	\$ -		\$ -	\$ -
Total Interns	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Fisheries Technicians									
NSEDC Salmon Rehab.	0	\$ -	17	\$ 61,697.89	22	\$ 192,824.36	4	\$ 9,870.00	\$ 264,392.25
Alaska Dept. of Fish & Game	0	\$ -	2	\$ 3,904.25	4	\$ 49,188.38	1	\$ 690.00	\$ 53,782.63
Fisheries Development	0	\$ -	4	\$ 12,741.50	7	\$ 48,281.50	4	\$ 4,116.25	\$ 65,139.25
Total Technicians	0	\$ -	23	\$ 78,343.64	33	\$ 290,294.24	9	\$ 14,676.25	\$ 383,314.13
GRAND TOTALS	101	\$ 959,574.96	211	\$ 1,431,455.28	483	\$ 5,239,400.55	226	\$ 968,268.79	\$ 8,598,699.58
NSEDC =	49	\$ 624,647.19	97	\$ 832,642.87	114	\$ 1,136,987.79	72	\$ 725,396.75	\$ 3,319,674.60
NSSP =	34	\$ 176,191.40	99	\$ 469,814.90	359	\$ 4,005,094.21	148	\$ 157,076.57	\$ 4,808,177.08
Partners =	18	\$ 158,736.37	15	\$ 128,997.51	10	\$ 97,318.55	6	\$ 61,045.47	\$ 446,097.90

Employment Summary

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

CDQ Pollock/Groundfish – Glacier Fish Company paid wages to six residents of NSEDC member communities, one former member community resident living in Anchorage, and one Western Alaska resident 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:

- 3 employees from Stebbins
- 2 employees from Unalakleet
- 1 employee from St. Michael
- 1 employee from Anchorage
- 1 employee from Kaltag

NSSP Employment (does not include administration) – One hundred and fifteen residents of Norton Sound communities and one from outside the region were employed during the quarter.

Community Breakdown:

- 48 employees from Unalakleet
- 13 employees from Elim
- 1 employee from Gambell
- 6 employees from Golovin
- 9 employees from Koyuk
- 9 employees from Savoonga
- 2 employees from Shaktoolik
- 2 employees from Stebbins
- 23 employees from Nome
- 2 employees from other Alaska communities

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

Community Breakdown:

- 3 employees from Brevig Mission
- 1 employee from Elim
- 2 employees from Golovin
- 2 employees from Koyuk
- 5 employees from Nome
- 4 employees from Shaktoolik
- 5 employees from Unalakleet
- 1 employee from Anchorage

Other Fishing – Twenty-eight fishermen delivered 22,723 pounds of tom cod and other bait fish to NSSP during the quarter.

Community Breakdown: 17 fishermen from Unalakleet
11 fishermen from Nome

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

Community Breakdown: 1 employee in Wales
1 employee in Little Diomed
1 employee in Brevig Mission
1 employee in Savoonga
1 employee in Gambell
1 employee in Teller
1 employee in White Mountain
1 employee in Golovin
1 employee in Elim
1 employee in Shaktoolik
1 employee in Stebbins

Table 2
TRAINING DATA FORM
October 1 through December 31, 2013

	Quarter		Year-to-Date	
	People	Expenditures	People*	Expenditures
Scholarships				
Post-Secondary	3	\$6,000	336	\$631,223
Vocational	2	\$4,000	46	\$90,500
Voc-Tech				
Basic	56	\$91,205.75	85	\$101,726.75
Advanced				
Other Training				
Fisheries Related	11	\$34,175.17	36	\$83,648.17
CDQ .Staff			6	\$11,604
CDQ Board				
Other	44	\$7,260	80	\$38,256
TOTAL	116	\$142,640.92	589	\$956,957.92

**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: Five students received funding for post-secondary and vocational education during the quarter.

Other: Fifty-six BSSD students learned about various vocational opportunities and resources during the 2013 NSEDC Career Exploration Trip, traveling to Anchorage and Seward.

Eleven Norton Sound residents attended a Fisheries Safety Orientation Class at AVTEC.

Thirty-four Elim residents and ten White Mountain residents completed a Driver's Permit Workshop.

II. Administration

A. Board Activities

Board of Directors Meetings

The NSEDC Board of Directors held its 2013 third quarter meetings in Unalakleet, Alaska, November 6 - 8, 2013.

The NSEDC Board of Directors held a special meeting to discuss the 2014 budget in Anchorage, Alaska, December 2 - 4, 2013.

Substantial Decisions

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

- The NSEDC Board of Directors waived the Community Benefit Share limit of \$100,000 and declared a \$150,000 Community Benefit Share to each community.
- The NSEDC Board of Directors approved an \$85,000 donation to the Alaska Center for Energy and Power (ACEP) for furthering the development of the geothermal source located on Unaatuq, LLC's property at Pilgrim Hot Springs.
- The NSEDC Board of Directors approved the 2013 Golovin OEF Request of \$159,947 for a rock quarry project.
- The NSEDC Board of Directors approved the City of Nome's Middle Dock Request for \$500,000.
- The NSEDC Board of Directors approved a budget amendment of \$388,300 for repairs of the *T/V Egavik*.
- The NSEDC Board of Directors approved to increase the fishermen's receivable loan individual limit to \$15,000.
- The NSEDC Board of Directors approved to increase the loan fund cap by \$50,000, bringing NSEDC's total loan fund program cap to \$800,000.
- The NSEDC Board of Directors approved to roll the revolving loan payments for salmon and herring fishermen into 2014.
- The NSEDC Board of Directors approved the participation in the State of Alaska educational tax credit program, donating \$90,000 to Northwest Alaska Career and Technical Center (NACTEC) for

vocational education programs for students throughout the Norton Sound region.

- The NSEDC Board of Directors declared a \$500 per household energy subsidy to be credited to member community residents' electric utility bills.
- The NSEDC Board of Directors voted to eliminate the charging of tender fees to member community residents who deliver their commercial fishing harvest to NSEDC vessels in order to not disadvantage fishermen living in communities without processing facilities.

III. Harvesting Report

A. CDQ Harvest Management

During the quarter NSEDC conducted a number of CDQ fishing activities as outlined below.

Pollock

There was no harvest of CDQ pollock in the 4th quarter. The *F/T Pacific Glacier* harvested 12,497 tons for the year, with the *F/T Alaska Ocean* taking 15,349 tons. The final day of fishing was September 5th; the early finish date is notable as when Chinook bycatch rates do rise to higher levels, it is typically late in September or in October. A total of 68 Chinook were taken in NSEDC pollock operations in 2013, 67 in the A season and 1 in the B season.

Pacific Cod

A total of 1,146 tons of Pacific cod was taken in directed fishing operations in the 4th quarter. Most of that was taken in longline operations through our harvesting partner Alaskan Leader Fisheries (*Alaskan Leader, Bering Leader, Bristol Leader and Northern Leader*), with 216 tons being harvested on the *F/T Northern Glacier* in flatfish operations. Total harvests fell short for the second straight year in 2013, with 3,807 tons of 4,970 tons available. While not typical historically, leaving cod in the water was seen throughout the industry in 2013, primarily due to an unusually poor market. Fortunately, the market is showing a strong rebound for 2014 and harvest partners are now willing to guarantee full harvest of quotas.

Atka Mackerel / Pacific Ocean Perch

NSEDC is a participant in two CDQ pools for Atka mackerel and Pacific Ocean Perch, utilizing Glacier Fish Company's *F/T Northern Glacier* and a number of vessels owned and operated by U.S. Seafoods. Essentially all of NSEDC's allocation of Atka mackerel and Pacific Ocean Perch were harvested in 2013, in the 2nd quarter.

Yellowfin Sole, Rock Sole, Flathead Sole and Arrowtooth Flounder

During the 4th quarter, the *F/T Northern Glacier*, which is harvesting pooled flatfish for 4 CDQ groups including NSEDC, harvested 3,049 tons of Yellowfin sole, 21 tons of Rock sole, 68 tons of Flathead sole, and 43 tons of Arrowtooth flounder. For the year, 76% of Yellowfin sole, 60% of Rock sole, 17% of Flathead sole and 83% of Arrowtooth flounder allocated for directed harvest was taken.

Sablefish

In the 4th quarter, the *F/V Ballyoo*, *F/V Cerulean*, and *F/V Cynosure* harvested 29 tons of Aleutian Islands sablefish. A total of 72 tons, or 98% of the Aleutian Islands quota, was harvested in 2013. All of NSEDC's Bering Sea sablefish quota (27 tons) was harvested by the *F/V Ballyhoo* in the 2nd quarter.

Halibut

A total of 9,943 pounds of halibut was harvested and delivered to Nome in the 4th quarter. On the year, local fishermen took 59,334 out of approximately 77,000 pounds of halibut, 23,104 being delivered to Nome and 36,230 delivered to Savoonga.

Aleutian Islands Golden King Crab

The *F/V Aleutian No. 1* harvested NSEDC's entire Eastern Aleutian Islands Golden King Crab CDQ allocation of 69,510 pounds in the fourth quarter.

Bristol Bay Red King Crab

Coastal Villages Region Fund's vessel, the *F/V North Sea*, harvested NSEDC's allocation of 154,800 pounds of 2013-14 Bristol Bay Red King Crab in the 4th quarter.

Bairdi Crab

All of NSEDC's 2013-14 Eastern Bering Sea Bairdi crab (26,334 pounds) was harvested in the 4th quarter by the *F/V Ramblin Rose*. The Western Bering Sea Bairdi will be harvested in the 1st quarter of 2014.

Bering Sea Opilio (Snow) Crab

NSEDC's allocation of 2013-14 Bering Sea Opilio crab will be harvested in the 1st and 2nd quarters of 2014.

Norton Sound Red King Crab

There was no harvest of Norton Sound CDQ Red King Crab in the 4th Quarter. Local fishermen harvested 18,585 pounds of CDQ in the third quarter, which was all of NSEDC's allocation.

B. IFQ Harvest Management

During the quarter, NSEDC managed fishing operations and the harvest of individual fishing quotas (IFQs) as outlined below.

Eastern Aleutian Islands Golden King Crab

All of NSEDC's 2013-14 Eastern Aleutian Islands Golden King Crab IFQ (about 578,000 pounds) was harvested by the end of the year, with 364,782 pounds delivered in the 4th quarter. The eastern fishery was prosecuted with the *F/V Aleutian No. 1*.

Western Aleutian Islands Golden King Crab

The *F/V Patricia Lee* harvested 524,544 pounds of KDS' 2013-14 Western Aleutian Islands Golden King Crab by the end of the year, a little more than 453,000 pounds of that was delivered in the 4th quarter. The remaining 665,000 pounds will be harvested in 2014.

Bristol Bay Red King Crab

All of NSEDC's IFQ for 2013-14 Bristol Bay Red King Crab was harvested in the 4th quarter. The *F/V Tempo Sea* harvested 134,903 pounds; the *F/V Arctic Hunter* took the remaining 17,564 pounds.

Bering Sea Opilio (Snow) Crab

NSEDC's IFQs for 2013-14 Bering Sea Opilio crab will be harvested in the 1st and 2nd quarters of 2014.

Bairdi Crab

NSEDC's IFQs for the 2013-14 Eastern and Western Bering Sea Bairdi crab will be harvested in the first quarter of 2014.

Sablefish

In the 4th Quarter the *F/V Provider* and *F/V Letun* harvested a total of 61,052 pounds of Central Gulf black cod, bringing the annual total to 152,698 pounds for that area. All of the Western Gulf quota of 49,850 pounds was harvested by the *F/V Letun* earlier in the year.

Halibut

There was no harvested IFQ halibut during the 4th 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.

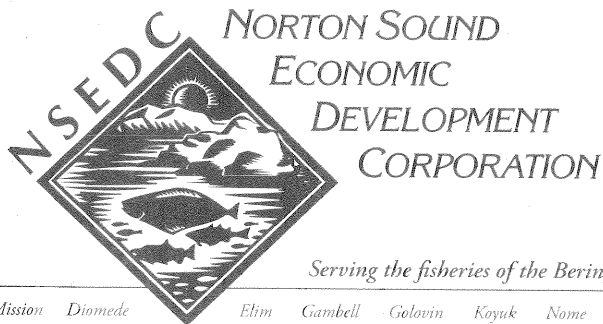
IV. Board of Directors November 6-8, 2013, and December 2-4, 2013 Meeting Minutes (Attachments 1 & 2).

ATTACHMENT 1

2013 Third Quarter Meeting Minutes

November 6 - 8, 2013

Unalakleet, Alaska



FILE COPY

Serving the fisheries of the Bering Strait Region

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

**Norton Sound Economic Development Corporation
Third Quarter Board of Directors Meeting
Aaron Paneok and Myles Gonangnan Memorial Hall
November 7, 2013
9:00 a.m.**

CALL TO ORDER

Chairman Dan Harrelson called the NSEDC 2013 Third Quarter Board Meeting to order at 9:00 a.m. on November 7, 2013.

ROLL CALL

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

Staff present were Janis Ivanoff, Simon Kinneen, Rick Walicki, Kyan Olanna, Tiffany Martinson, Wes Jones, Kevin Keith, Charlie Lean, William Johnson, Paul Ivanoff III, Virginia Nashalook, Josh Osborne, Darrin Otton, Kathy Wheelehan, Charice Johnson, and Jerry Ivanoff. Siu Alaska Corporation President/CEO John Eckels was also present. Lillian Olanna of Brevig Mission and Harvey Sookiayak of Shaktoolik were present.

INVOCATION

Oscar Takak gave the invocation.

APPROVAL OF AGENDA

Chairman Harrelson moved the NSEDC CEO Evaluation to the December Meeting.

Dean Peterson made a motion to approve the agenda. Oscar Takak seconded the motion. The motion passed.

APPROVAL OF MINUTES

1. August 8, 2013

Oscar Takak made a motion to approve the NSEDC Board Meeting Minutes of August 8, 2013. Elvina Naranjo seconded the motion. The motion passed.

PUBLIC COMMENTS

Jerry Ivanoff, NSEDC EET Director, welcomed everyone to Unalakleet during this windy weather and introduced Charice Johnson, NSEDC Administrative Assistant.

NSEDC CEO Janis Ivanoff noted the written public comments in the back of the packet. Chairman Harrelson asked Joel James how the chum salmon distribution went in Gambell. Joel said it went well.

CHAIRMAN'S REPORT – Dan Harrelson

Chairman Harrelson noted the Chairman's Report in the packet. He mentioned a response letter sent to Nancy McGuire of the *Nome Nugget*, and hoped it would be published this week. He said the attendance

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

policy was being misunderstood and that NSEDC meetings will continue to remain open to member community residents.

a. Recognition of Eugene Asicksik, Walter Seetot & Charlie Lean

Chairman Harrelson recognized and thanked Eugene Asicksik, NSEDC Shaktoolik Board Member, and Walter Seetot, NSEDC Brevig Mission Board Member, presenting them with a new jacket in appreciation for their years of service. Chairman Harrelson recognized Charlie Lean, retired NSFR&D Director, for his years of service and presented him with a beautiful piece of wood to be used in his woodshop. Chairman Harrelson welcomed back Harvey Sookiayak and welcomed Lillian Olanna as incoming board members. Charlie thanked everyone for their support and the opportunity to work with NSEDC.

Harvey Sookiayak walked in at 9:13 a.m.

CEO's REPORT- Janis Ivanoff

NSEDC CEO Janis Ivanoff gave the NSEDC CEO's Report. Janis welcomed back Harvey Sookiayak and welcomed Lillian Olanna. Janis noted the deadline for submitting names to the NSSP Working Group and Siu Alaska Corporation. Janis noted that Simon Kinneen moved to the NSEDC Quota & Acquisition Manager position; Wes Jones was promoted to the NSFR&D Director, and Charice Johnson was hired for the Unalakleet Office Administrative Assistant. Janis expressed her appreciation and awe for all the NSSP and NSFR&D crews accomplish during their short seasons.

FINANCIALS/INVESTMENT PORTFOLIO

NSEDC Corporate Treasurer and CFO Rick Walicki went over the NSEDC's financial reports, highlighting areas where there are differences in comparison to the same time period in the previous year.

Joe Garnie asked for clarification on the expenses of the *Aleutian No. 1* and the profit margin after the expenses. Rick reported that the operation is profitable. Joe Garnie asked who bought the Bering Sea Women's Group's share of the *Aleutian No. 1*. Janis clarified the ownership of the *Aleutian No. 1*, noting that Ed Poulsen was now part of the ownership. Chairman Harrelson noted Poulsen's experience in Alaska's crab fisheries and said he would bring a lot to the table for the crab vessels.

Rick reported that NSEDC's investment portfolio has performed well so far this year. Chairman Harrelson asked for clarification on how funds were redistributed among investment accounts. Rick noted that funds from a closed account were distributed evenly among the remaining accounts. Rick also noted that NSEDC was able to renegotiate management fees. Eugene Asicksik noted that Key Bank Funds were set aside for education funds with the idea that if all else fails there would be an education endowment for the future. Rick noted that this is a completely separate account that is not being touched.

SIU ALASKA CORPORATION REPORT – John Eckels

Glacier Fish Company – executive session

Oscar Takak made a motion to go into executive session for the Glacier Fish Company Report at 9:35 a.m. Walter Seetot seconded the motion. The motion passed.

A break was taken at 10:03 a.m. The meeting reconvened at 10:15 a.m.

Elvina Naranjo made a motion to return to regular session at 10:16 a.m. Oscar Takak seconded the motion. The motion passed.

MANAGERS REPORTS

Quota Management –Simon Kinneen

Simon Kinneen gave the NSEDC Quota Management Report.

Simon noted the cod fishing was slow and the prices have been down. Eugene Asicksik asked about the impact of the government shutdown on our fisheries. Simon noted that the crab CDQs are allocated

directly from the State of Alaska and were not affected. However, due to the short time of the actual shutdown, there was no material impact of CDQ being allowed to fish earlier. Chairman Harrelson spoke to the royalty rates and negotiations to date. Wilfred Katcheak asked if our partners wanted to pay less for our quota, noting the effect of lower market prices. Chairman Harrelson noted there are currently no residents employed on the *F/V Aleutian No. 1* and asked if we are doing more to get residents working on partner vessels. Simon said he would make sure to make that a point in future negotiations.

Southern and Northern NSSP

b. Southern NSSP - William Johnson

William Johnson gave the Southern NSSP Report. William explained the plan to go with land-based buying stations in our communities. As we grow, he said that NSSP will be busier and busier. Chairman Harrelson, in regard to capital projects, asked if a live crab buying station was planned for Unalakleet, and if so, would that be presented at the December meeting. William Johnson said he could have a proposal ready and clarified that the handling of salmon and crab have to be kept separate, so perhaps another building would be needed. Eugene asked about the plans for a land-based buying station in Shaktoolik. William said he is considering the area where the old fish plant was located and that a bulk head, cranes and other necessary equipment are all part of the plan. Eugene noted that the fisheries support building would greatly help with the movement of our product from Shaktoolik. Don Stiles asked if the City of Shaktoolik would be open to a dock with sheet piling to eventually put a crane in the deeper water. Eugene said it would be beneficial to have staff come to Shaktoolik, saying sometimes he feels his community is ignored. Discussion ensued over the best location to site facilities in Shaktoolik. CEO Janis Ivanoff thanked William Johnson and Frank Doty for their work and planning on the shore-based operations in our communities and looked forward to seeing the proposal at the December budget meeting. Milton Cheemuk stated there might be more crabbers from his area in St. Michael.

c. Northern NSSP - Josh Osborne

Josh Osborne gave the Northern NSSP report, highlighting the recently concluded crab and halibut seasons. He reported that the crab season started very slow. Approximately 36,000 pounds were sold as live crab. NSSP utilized Aquatech in Anchorage to rejuvenate the crab before they were sent to the purchaser. Josh noted that NSSP is getting ready for the bait fishery--tomcod, trout, and white fish. Chairman Harrelson asked who was participating in this bait fishery. Josh noted the level of participation throughout the region. Josh noted the quota for our bait fishery for each of our river systems and the need to keep track of the harvest level taken from our fresh water river systems, but there is no limit to the harvest of tomcod in marine waters. Josh noted the work of Tyler Rhodes on our NSSP Website to advertise our seafood products. Frank Katchatag asked if there is a preferred bait for crab. Josh noted that different fishermen prefer different bait, but many like herring due to its oil content. Frank Katchatag asked about the price NSSP pays for trout. Josh replied that it is the same as what is paid for tom cod. Chairman Harrelson stated that he did not hear one complaint from the Nome crab and halibut fishermen, and thanked Josh for stepping up to the plate and performing.

Written Reports

NSEDC Board Chairman Dan Harrelson noted the written reports submitted by NSEDC managers, asking if there were any questions.

d. Community Benefits Department – Paul Ivanoff III

Paul Ivanoff noted the City of Wales is moving forward to get their Community Benefit Share after settling compliance issues with the State of Alaska. Paul noted that KeriLee Ivanoff was hired out of Anchorage, replacing Galsy Ashenfelter. Chairman Harrelson asked if the funds were awarded. Paul stated grants were awarded to proposals from Savoonga, Gambell, Nome and Unalakleet. Eugene gave a summary on the status of Shaktoolik's various grants, as well as an overview of his work with Sterling Gologergen and BSSD. Lucy Kitchen requested a private conference with Paul on the City of Wales business. Chairman Harrelson spoke to the bulk fuel program and the need to better educate our

membership that this program is neither a giveaway nor a subsidy program. He noted the impression of some people in Nome that NSEDC is giving away fuel, Paul noted that he will be working closely with Tyler Rhodes to educate our membership in Nome and elsewhere. The bulk fuel program is open to the people of Nome. Eugene Asicksik spoke to the bulk fuel program working with the City of Shaktoolik and the sharing of the transportation costs of all our participating members. Eugene noted that the cost of transportation of the bulk fuel will be more expensive if they got stuck in Unalakleet due to tides. NSEDC CEO Janis Ivanoff clarified that each community has a cost for moving the fuel.

e. EET Department – Jerry Ivanoff

Jerry Ivanoff noted the inclusion of an education summit in the budget and reported that he is encountering difficulties in getting commitment for a full-blown summit. He noted that a meeting is slated for Nov. 18-19 in Nome to discuss education ideas with Kawerak and the Bering Strait School District. Jerry will participate in this discussion. Eugene Asicksik asked about Patti Lilli of the UAF Northwest Campus and her work using the funds of NSEDC in our member communities for drivers' permit workshops. Jerry informed the board that Patti took over the job of Barb Amarok, who worked with NWC, assisting our communities to develop proposals for NSEDC's community-based training program. Jerry noted that we have worked with NWC and Jimmy Adams with the drivers permit classes in the past, but Jimmy Adams no longer offers driver training services. Eugene also noted that Stacy Paniptchuk used the distance delivery program of NWC and the NSEDC scholarship program to receive her teacher's certificate and is teaching in Shaktoolik. Jerry informed the board that we have had teacher aides take distance delivery classes and are now the teachers within BSSD.

f. HR Department – Tiffany Martinson

Chairman Harrelson asked about employees' health coverage in regard to the new federal health care law. Tiffany noted our full-time employees are already covered and should meet the federal coverage mandate.

g. NSFR&D – Wes Jones

Wes Jones addressed the board on the Norton Sound Red King Crab management plan and its fate before the NPFMC. The plan, which included a very low ABC, did not receive approval. Wes noted the work on the crab plan and a meeting or workshop in January, where the crab allocation will be negotiated. Charlie Lean spoke to the tremendous asset NSEDC has in the expertise that Wes Jones brings to the table in regards to crab management. Wes works well with ADF&G staff and the public. Eugene asked about discussions regarding the potential elimination of the 32-foot exemption for the Norton Sound red king crab fishery. Eugene would like to keep the 32-foot exemption, believing that its removal would be contrary to NSEDC's mission. Janis Ivanoff noted that NSEDC is not conducting any study or discussions on the removal of the exemption.

h. Vessel Management – Darrin Otton

Darrin Otton gave an update on vessel management, noting our two larger vessels, the *F/V Egavik* and the *F/V Inaliq*, are in Seward. He had informed his crew of the training in master mate and the Q med Program. Darrin noted that we have one person set for the master-mate training and one for the q-med, and is working on getting more training for our tender vessel crew. Chairman Harrelson asked Darrin to expand on the funds needed to fix the *F/V Egavik*. Darrin noted the work necessary for the *F/V Egavik* as the hull was very thin. Chairman Harrelson asked if the boat would be ready if the welder was able to start now. Darrin noted that it would be ready. Chairman Harrelson noted that NSEDC would have a hard time without Darrin, Josh and Middy.

Lunch break was taken at 11:14 a.m. The meeting reconvened at 1:01 p.m.

Chairman Harrelson thanked Janis for a great lunch with the elders and complimented the wrestling team and Coach Middy on the cooking of the halibut.

B. COMMITTEE REPORTS

1. Executive Committee Report

Chairman Harrelson gave the NSEDC Executive Committee Report.

2. Rules & Bylaws Committee Report

Chairman Stiles gave the NSEDC Rules & Bylaws Committee Report. Janis noted the information on the drug screen costs for the board in the back of the report. Chairman Harrelson asked about the cost and possibility to do the drug screen at the clinic.

3. NSSP Working Group

Chairman Takak gave the NSSP Working Group Report.

Eugene Asicksik made a motion to approve the recommendations of the NSSP Working Group.

Eugene noted the fishermen's receivables in the report, with no action from the board, Eugene noted there would be no action on the letter of Morris Nakarak and Frank McFarland. Chairman Harrelson and Oscar both noted that staff is going to bring options before the board in December in response to the letters. *For a lack of a second, Eugene's Motion failed.* Joe Garnie asked for clarification on Eugene's motion.

Eugene said he wanted to make a motion that the letters would be addressed in December.

4. Scholarship Committee Report

Chairman Seetot gave the NSEDC Scholarship Committee Report.

5. Appeals Committee Report

Chairman Harrelson gave the NSEDC Appeals Committee Report of October 22, 2013 in Nome.

6. Fisheries Development Committee Report

Chairman Takak gave the NSEDC Fisheries Development Committee Report.

7. Finance Committee Report

Chairman Harrelson gave the NSEDC Finance Committee Report.

Don Stiles made a motion to approve the recommendation of the NSEDC Finance Committee to increase the fishermen's receivable loan individual limit to \$15,000.00 while also increasing the loan fund cap to \$50,000.00, placing NSEDC's total loan fund program cap to \$800,000.00. Oscar Takak seconded the motion. The motion passed.

Eugene Asicksik made a motion to approve the recommendation of the Finance Committee to defer loan payment for fisherman #22 and continue pursuing repayment from fisherman #1 while adding the rest to next year's total. Dean Peterson seconded the motion.

Don Stiles spoke to the twenty-two large vessel loans, where eleven were delinquent. Fishermen getting involved need to realize, success is not a guarantee. Eugene spoke to the fishermen not delivering to NSSP. A discussion was held on the loan program and another crab buyer participating.

The motion passed.

Eugene Asicksik made a motion to approve the recommendation of the Finance Committee to have revolving loan payments for salmon and herring fishermen rolled into next year. Dean Peterson seconded the motion. The motion passed.

Oscar Takak made a motion to approve the recommendation Finance Committee for NSEDC's participation in the State of Alaska educational tax credit program. Don Stiles seconded the motion.

Chairman Harrelson asked how much we could contribute through the education tax credit as well as the timeline for accessing it. NSEDC CEO Janis Ivanoff said staff would report to the board in December on

what NSEDC's tax bill will be as well as a list of eligible entities to which NSEDC can make a donation. Milton Cheemuk asked if this was a one-time deal. Chairman Harrelson noted we could get a tax credit with a donation to our educational system. Eugene noted he is support of this and feels Nome should get a little more. Elvina Naranjo asked what it could be used for. Chairman Harrelson felt we should give the local schools a little flexibility to utilize these education funds. Janis noted the specifics of how the funds could be used. Elvina noted the needs of our school system to hire help for the Early Childhood Education Program. Eugene noted Kawerak does ECE and someone will check on it. He also noted BSNC and Sitnasuak Corporation make donations of about \$300,000 through this education tax credit program and that funds donated from NSEDC would benefit all residents in our region.

The motion passed.

Don Stiles made a motion to approve the recommendation of the Finance Committee to approve a budget amendment of \$388,300.00 for repairs of the F/V Egavik. Oscar Takak seconded the motion. The motion passed.

Dean Peterson made a motion to approve the recommendation of the Finance Committee that the debt owed NSEDC by Customer No. 4 be written off as bad debt. Frank Katchatag seconded the motion. The motion passed.

8. Compensation Committee Report

Chairman Harrelson gave the NSEDC Compensation Committee Report.

Dean Peterson made a motion to adjust the pay structures by 4%. Oscar Takak seconded the motion.

Eugene Asicksik made a motion to go into executive session to discuss Compensation Committee recommendation. Don Stiles seconded the motion. The Board went into executive session at 1:36 p.m.

Eugene Asicksik made a motion to return to regular session. Elvina Naranjo seconded the motion. The board returned to regular session at 2:01 p.m.

The question was called. The motion passed.

A break was taken at 2:01 p.m. The meeting reconvened at 2:11 p.m.

C. OLD BUSINESS

1. Litigation Update – executive session

The litigation update was covered in the executive session of 1:36 p.m.

2. CEO Evaluation – executive session

The NSEDC CEO Evaluation was tabled until the December NSEDC Board Meeting.

3. 2013 Golovin OEF Approval

After new business of Unaatuq new members and funding, NSEDC CEO Janis Ivanoff explained the formality of including the 2013 Golovin OEF Approval.

Dean Peterson made a motion to approve the 2013 Golovin OEF Request of \$169,947.00. Don Stiles seconded the motion.

Eugene Asicksik asked for clarification on the funds. Janis noted the applying entities met the required deadlines and funds were available through carry-forwards of previously unutilized OEF funds. Eugene had several questions regarding gravel for the project, to which Dean Peterson replied.

The motion passed.

A break was taken at 2:56 p.m. The meeting reconvened at 3:07 p.m.

Zack Hughes of KNOM Radio joined the meeting at 3:06 p.m. Chairman Harrelson welcomed Hughes to the meeting,

NEW BUSINESS

4. 2013 Community Benefit Share

Chairman Harrelson noted the cap of \$100,000 per community, mentioning that NSEDC had made an additional \$200,000 distribution last year with 100,000 dedicated to our youth.

Don Stiles made a motion to waive the community benefit share limit of \$100,000 and declare \$150,000 community benefit share to each community. Oscar Takak seconded the motion.

Milton Cheemuk asked if we had the funds for it. Chairman Harrelson confirmed the availability of funds. Elvina Naranjo liked the amount, but she voiced her concern of the record keeping of the recipient. She wanted better book keeping for this funding. Chairman Harrelson noted the method by which White Mountain utilizes these funds. Chairman Harrelson noted the public process to access these funds and the councils should spend these funds accordingly. Eugene noted that all should have a community meeting. Janis noted that, before \$150,000 is released, each community must provide an accounting of last year's Community Benefit Share. Chairman Harrelson noted that we could revisit another community benefit share in the future. Eugene noted that White Mountain and Golovin uses their community benefit share for their light and water bill, explaining to his constituents that those communities own their electric company. Chairman Harrelson said energy costs were some of the largest costs for residents in his community and thought addressing them through the Community Benefit Share was one of the best ways to help. Milton Cheemuk asked if NSEDC would do another electric subsidy payment to member community residents, as it really helps in these hard times. Chairman Harrelson said it would be up to the board to bring it up again.

The motion passed.

5. Unaatuq, LLC

a. Consent to Admit New Member

b. \$85,000 Matching/In-kind Funds for Geothermal Development

NSEDC CEO Janis Ivanoff introduced via teleconference Matt Ganley (BSNC), Gerald Brown (BSNC), and Gwen Holdman (ACEP) to discuss Unaatuq LLC and Pilgrim Hot Springs. The board first addressed the request for matching funds for geothermal development.

Matt Ganley delivered a summary of the drilling program this fall at Pilgrim Hot Springs, noting that a production well did not achieve the results needed for supplying Nome with power, but could be used for on-site development. Two additional temperature gradient wells were drilled to try and locate the heat source. Gwen Holdman gave additional information on the drilling and overall project, noting that additional match funding is needed to receive a second round of DOE funding for the project. The grant funding does not focus solely on Pilgrim, but is intended to look at other sources in the region, such as around Elim. Janis Ivanoff informed the board that the proposed donation of \$85,000 would not be a capital call from Unaatuq, but a donation. Don Stiles asked if other Unaatuq members had made donations. Matt Ganley said Sitnasuak Native Corp., Bering Straits Native Corp., and White Mountain Native Corp. had all made donations. Jerald Brown said the donation could be used as a tax credit. Chairman Harrelson asked if the board could consider at a later time whether or not to utilize a tax credit for this purpose. Eugene Asicksik said he would prefer the credit be used for educational purposes.

Don Stiles made a motion that NSEDC donate \$85,000.00 for the Pilgrim Hot Springs Geothermal Confirmation Drilling Program and Elim Geothermal Resources Evaluation. Oscar Takak seconded the motion.

Eugene Asicksik asked if the donation would add to the value of Unaatuq. Janis Ivanoff replied that as a donation it would not.

The motion passed.

Gwen Holdman left the conversation and the board moved on to discuss admitting a new member to Unaatuq LLC. Matt Ganley said requests have been sequentially received from Council, Unalakleet and Solomon Native corporations to join Unaatuq. Membership requests would be taken in the order of their receipt. Admission of new members requires a unanimous vote by the existing members. Three Unaatuq members have already approved the addition of Council Native Corp. The membership fees would give Unaatuq some operating capital. Don Stiles asked if new members' buy-in would include capital calls made up until this point. Matt Ganley confirmed that it would. Joe Garnie asked if certain members ownership stake was reduced since they did not make previous capital calls. Matt Ganley noted that Teller Native Corp. missed one capital call and Mary's Igloo Native Corp. missed two. Chairman Harrelson asked how much Council would have to contribute to gain ownership of 2.5%, which was about \$50,000, give or take \$5,000. Janis Ivanoff confirmed for Milton Cheemuk that a decision was needed today. Matt Ganley confirmed for Don Stiles that unanimous consent by all members would be needed to allow a new member to join the LLC.

Eugene Asicksik made a motion for NSEDC to grant consent to admit a new member to Unaatuq LLC and requested a roll call vote. Oscar Takak seconded the motion. The roll call vote was seven yes, six no, and two absent. The motion passed.

Steve Ivanoff joined the meeting at 2:24 p.m.

Chairman Harrelson noted that part of NSEDC's intent in initially investing in Unaatuq was to keep Pilgrim Hot Springs ownership within the region and retain the property for people of the region to use. With that accomplished, he said NSEDC can always evaluate whether or not it should continue to be a member of Unaatuq. Janis Ivanoff pointed out that the other members are organizations that are landowners and deal with land issues. This is not NSEDC's primary focus. With his BSNC Hat, Eugene noted the concern of people in the region of the spiritual aspects of this area as a healing area by our elders. Eugene wishes to keep this in Native hands.

6. City of Nome Middle Dock Request

Paul Ivanoff brought up the City of Nome Middle Dock Request. Janis Ivanoff noted the request is not out of cycle since it is large infrastructure OEF request. Paul noted the City of Nome is requesting \$3.7 million for a middle dock causeway for their harbor. Paul noted the proposal in the packet. Wilfred Katcheak asked if the fishermen and miners pay a fee to enter the causeway. Don noted that anyone that uses the causeway pays a daily, weekly, or monthly rate. Don explained that this expansion was to handle the larger vessels like cruise ships and large cargo ships with a huge increase in fuel. Janis noted the contributions made to date to the City of Nome since inception. Don Stiles stated that the request would allow Nome to access funds from the other agencies.

Oscar Takak made a motion to approve the City of Nome Middle Dock Request for \$500,000.00. Don Stiles seconded the motion.

Milton Cheemuk asked who else was paying for this project. Don explained the City of Nome was also seeking funds from the State of Alaska and federal government. Don noted that Nome is a strategic spot for the increased international traffic of vessels. Eugene asked Paul Ivanoff III how much of the bulk fuel

ordered through NSEDC goes through the Nome Port. Paul informed Eugene that Delta Western just delivers to Nome the fuel Nome ordered. Eugene summarized the improvements to the Nome Port to date and that the City of Shaktoolik had to pay \$10,000.00 for lightering \$12,000.00 worth of building supplies. Milton Cheemuk noted that St. Michael could be a deep water port. Steve Ivanoff said he didn't take advantage of opportunities for crab fishing due to the costs associated with using the port of Nome. Steve noted that NSEDC has put \$4 million-plus into the port, but fishermen are charged a parking fee to stop in the Port of Nome. Steve recommended that the City of Nome give fishermen a break for parking there. Joe Garnie asked if \$500,000 was sufficient to move this project along. Don Stiles couldn't say for certain, but believed the funding would help the City of Nome attract more. Don Stiles noted that this project will provide jobs and benefits to our corporations.

The motion passed.

PUBLIC COMMENTS

John Weemes addressed the board, passing out a DVD of elders' stories created with help from NSEDC funds. John and his wife are teachers, who worked in Teller for four years and he worked as the Koyuk principal for three years. He thanked the board for their leadership and generosity to provide our young people with a brighter future. John introduced his project to the board for language preservation and cultural competencies. John noted the Department of Labor is looking at film making as a viable employment opportunity. John noted the DVD presented to the board was an all Alaskan Native production using all Alaskan Native-owned businesses. John thanked the board for their clarity of vision and projects to help our youth. John thanked the leadership of Koyuk and their elders for their contributions to this film making project. All the households in Koyuk will receive a copy of this DVD. John noted the plan to bring kayak building to all our schools in the BSSD. Paul Ivanoff III noted that this project was paid for by a portion of the \$100,000 Community Benefit Share for Koyuk.

Steve Ivanoff appreciated all that NSEDC does for our communities. In his family, Steve noted that his children benefited from the scholarship program and benefits of fishing. Steve thanked the board for their huge contributions to help the people of our region. Steve felt that NSEDC should have NSEDC staff assist with the development of local economic development plans.

BOARD COMMENTS

Chairman Harrelson stated that he will miss Walter Seetot lots, so he will be first to make board comments.

- Walter thanked the Scholarship Committee, the board and staff for their hard work. Good job.
- Eugene Asicksik thanked the board and Janis for working with him. Eugene stated he was accused of being a thorn in the side of the State of Alaska in the early days of the CDQ program, but hopes he wasn't a thorn for NSEDC in his three years back on the board. He appreciates NSEDC's contributions including the Community Benefit Share. He will still be involved and he will reconsider running in the next go-around. Thank you all.
- Lucy Kitchen thanked Unalakleet for hosting this meeting. Thanks to Walter and Eugene. Thanks to NSEDC for the Community Benefit Share of \$150,000.
- Joel James thanked Walter Seetot and Eugene Asicksik for their service.
- Dean Peterson thanked Eugene Asicksik and Walter Seetot, and hoped the two stay involved in what NSEDC does in their communities.
- Don Stiles thanked Eugene and Walter for their service. He thanked Eugene for his service as the past NSEDC President and CEO. Thanks to staff for their continued dedication to support our communities. Don noted the scholarship program and noted the board should consider increasing it. He felt that we should provide more assistance to our youth.

- Joe Garnie thanked everyone commented that Teller is applying for the OEF but they are behind schedule, as one of their key people was having medical problems. Janis noted that they could still submit their OEF request by January 15th.
- Wilfred Katcheak had no comment.
- Frank Katchatag thanked the board for coming to Unalakleet and thanked the staff for the future work on a crab buying station in Unalakleet. He thanked the two departing board members for their service.
- Milton Cheemuk thanked Unalakleet, the windy city. He also thanked to Eugene and Walter. NSEDC has lots to do.
- Elvina Naranjo thanked Eugene and Walter. She thanked to the board. Thanks to Unalakleet, as you guys are awesome hosts.
- Oscar Takak thanked Eugene for his work and he will miss both Eugene and Walter. Thanks to the board for the Community Benefit Share and thanks to staff for their hard work.
- Dan Harrelson thanked staff and board for all their hard work this year. Thanks to Eugene and Walter. They will be missed.
- Orville Ahkinga Jr. thanked Eugene, Walter and Charlie, and wished them well coming from their elusive friend. Orville noted the City of Little Diomedé is the cleanest it has been thanks to the debris program. He also expressed appreciation for the Community Benefit Share.
- Janis Ivanoff thanked Eugene and Walter, along with the rest of the board and staff for all their hard work. She welcomed Lillian Olanna and Harvey Sookiayak to the board.

ADJOURNMENT

Oscar Takak made a motion to adjourn the NSEDC 2013 Third Quarter Board Meeting at 4:00 p.m.

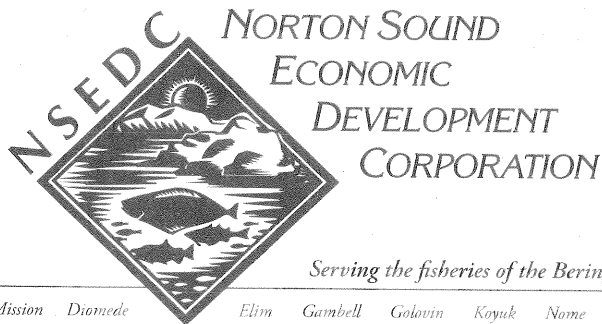
Elvina Naranjo seconded the motion. The motion passed.

Dan Harrelson, NSEDC Board Chairman

Jerry Ivanoff, NSEDC Corporate Secretary

Date

ATTACHMENT 2
2013 Special Meeting Minutes
December 2 - 4, 2013
Anchorage, Alaska



FILE COPY

Serving the fisheries of the Bering Strait Region

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

**Norton Sound Economic Development Corporation
Special Board of Directors Meeting
Westmark Hotel-Penthouse
December 2, 3, & 4, 2013**

CALL TO ORDER

NSEDCE Board Chairman Dan Harrelson called the NSEDCE Special Board Meeting to order at 9:00 a.m.

ROLL CALL

Present at the meeting were Dan Harrelson, Don Stiles (telephonically), Dean Peterson, Joel James, Harvey Sookiayak, Joe Garnie, Orville Ahkinga Jr., Lillian Olanna, Truman Kava, Lucy Kitchen, Frank Katchatag, Elvina Naranjo, Milton Cheemuk, and Oscar Takak Sr. Wilfred Katcheak was absent.

Staff present were Janis Ivanoff, Simon Kinneen, Rick Walicki, Tyler Rhodes, Kyan Olanna, William Johnson, Josh Osborne, Darrin Otton, Kathy Wheelehan, and Jerry Ivanoff.

INVOCATION

Oscar Takak gave the invocation.

APPROVAL OF AGENDA

Joe Garnie requested to add Teller Water and Sewer after agenda item i.

Oscar Takak made a motion to approve the agenda, as amended. Frank Katchatag seconded the motion. The motion passed.

WAIVER OF APPROVAL OF MINUTES

1. November 7, 2013

Dean Peterson made a motion for the waiver of approval of minutes of November 7, 2013. Elvina Naranjo seconded the motion. The motion passed.

NEW BUSINESS

1. 2014 NSEDCE Budgets-executive session

Harvey Sookiayak made a motion to go into executive session at 9:07 a.m. on December 2, 2013 for the NSEDCE 2014 Budgets. Frank Katchatag seconded the motion. The motion passed.

- a. Northern NSSP-Josh Osborne
- b. Southern NSSP-William Johnson

A break was taken at 10:08 a.m. The meeting reconvened at 10:26 a.m.

- c. Tender Vessels-Darrin Otton

Paul Ivanoff III walked in at 10:40 a.m.

Lunch break was taken at 11:45 a.m. The meeting reconvened at 1:00 p.m. For the record, Wilfred Katcheak called in, was not feeling well, was excused, and may call in this afternoon.

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

d. Community Benefits-Paul Ivanoff III

A break was taken at 2:13 p.m. The meeting reconvened at 2:26 p.m.

e. Education, Employment, and Training-Jerry Ivanoff

A break was taken at 2:57 p.m. until December 3, 2013 at 9:00 a.m.

December 3, 2013 9:00 a.m.

Chairman Harrelson reconvened the budget meeting at 9:05 a.m.

For the record, all the board members were present except Wilfred Katcheak, who was excused. Don Stiles was present telephonically. Staff present were Janis Ivanoff, Simon Kinneen, Tyler Rhodes, Tiffany Martinson, Kyan Olanna, Wes Jones, Kevin Keith, Rick Walicki, Kathy Wheelehan, and Jerry Ivanoff.

f. NSFR&D-Wes Jones & Kevin Keith

Matt Coates and Virginia Nashalook joined the meeting at 9:41 a.m.

Wilfred Katcheak joined the meeting via teleconference at 10:01 a.m.

A break was taken at 10:09 a.m. The meeting reconvened at 10:31 a.m.

g. Quota Management-Simon Kinneen

h. Revolving Loan-Virginia Nashalook

i. Administration-Janis Ivanoff & Rick Walicki

A break was taken at 11:28 a.m. The meeting reconvened at 11:33 p.m.

Lunch break was taken at 12:09 p.m. The meeting reconvened at 1:34 p.m.

Oscar Takak made a motion to return to regular session at 1:34 p.m. Elvina Naranjo seconded the motion. The motion passed.

Don Stiles made a motion to restructure NSSP with one manager to operate NNSSP and SNSSP. Dean Peterson seconded the motion. The motion passed.

Oscar Takak made a motion to approve the 401k voluntary program, as discussed in executive session. Harvey Sookiayak seconded the motion. The motion passed.

Dean Peterson made a motion to approve the NSEDC 2014 Budgets as presented and amended. Frank Katchatag seconded the motion. The motion passed.

2. Teller Water and Sewer

Joe Garnie addressed the Teller Water and Sewer agenda item. He explained Teller is still on the honey bucket system with one septic tank in the clinic. He also noted damage done during the last storm. Joe Garnie asked the board for \$1 million to get started on their water and sewer system. Orville Ahkinga Jr. asked if the City of Teller operates the water and sewer system. Joe noted the traditional council receives funding for the water and sewer. Orville stated Diomede is in the same situation but the community is working to resolve it and stressed the need for entities to have their operations in order before receiving funding. Elvina Naranjo asked Joe if they got assistance from ANTHC. Joe informed her Teller is not happy with the work of ANTHC. Joe further noted he has asked our native corporations to no avail. There was extensive discussion regarding the lack of funding, the high cost of water and sewer once it is installed, and the need for water and sewer for the health of the community. Joe requested an answer to bring home. Chairman Harrelson noted that a motion from the board has not been made.

Joe Garnie made a motion that NSEDC provide Teller with \$1,000,000.00 to assist with their water and sewer. Wilfred Katcheak seconded the motion.

Lucy Kitchen asked if this motion could include other communities without water and sewer. The motion makers agreed to the change.

Chairman Harrelson asked what other communities would be included to this motion. Teller, Wales, Stebbins, Little Diomed, and half of Golovin do not have water and sewer. Koyuk, Elim, and Shaktoolik would like assistance to upgrade their water and sewer. Oscar Takak stated he would vote no, as our villages can go elsewhere for funding. Kyan addressed the board on the significant number of villages requesting water and sewer, and the rule which allows NSEDC to spend only 20 percent of NSEDC funds for non-fishery related projects. The rule is intended to prevent NSEDC funds from being utilized to replace state or federal funding for projects. Frank Katchatag noted the cost of water and sewer in Unalakleet. Considering the scope of the request, Janis Ivanoff noted she would like to structure the proposal with policies, an application, and procedures on how the funds can be used and bring it back to the board, if the motion passes. Before calling the question, Chairman Harrelson noted the motion was modified to include our other communities without water and sewer. Joe stated this motion is for Teller which does not even have a water truck. He voiced his dismay with the feeling that NSEDC is just another bureaucracy with red tape. Joe felt some equipment would be nice to assist Teller's water and sewer dilemma. Orville Ahkinga requested to remove Little Diomed as they are working on their water and sewer. Wilfred Katcheak stated Stebbins does not need NSEDC assistance. Dean gave an update on Golovin's Water and Sewer.

This motion will only include Teller and Wales.

A roll call vote was taken reflecting five yes, nine no, and one abstention.

The motion failed.

3. Fishermen Incentive Payment Discussion

NSEDC President/CEO Janis Ivanoff introduced the fishermen incentive payment request, responding to earlier questions regarding another CDQ group's payments to fishermen. Janis noted that the group issued a press release stating that \$1 million was provided to their communities with payments going to more than just fishermen and processors. The total also included a heating fuel program and bonuses to tender crews. Janis noted NSEDC focuses on paying the best possible dock price up front for fishermen. Chairman Harrelson explained the price is set high to move away from the practice of providing bonuses. The request notes a poor salmon fishing season, but despite some difficulties, fishing overall was good in the region. He noted the problems in the halibut fishery in Savoonga and the recent disaster declaration in Gambell and Savoonga, and wanted to provide assistance in a way that would benefit everyone. The Energy Subsidy program NSEDC has provided in the past is a good conveyor for this. Oscar Takak concurred that the electricity assistance would help everyone in the region. \$1,300,000.00 was provided in the last energy assistance program.

Don Stiles made a motion to provide energy assistance of \$500.00 to all our households. Oscar Takak seconded the motion. The motion passed.

A break was taken at 2:36 p.m. The meeting reconvened at 2:47 p.m.

4. Education Tax Credit-Rick/Kyan

Rick Walicki and Kyan Olanna presented the education tax credit to the board which was also detailed in the packet. Following the third quarter meeting, the board was looking at donations to educational institutions to get an education tax credit. Kyan noted the regulations. Within Norton Sound, two entities meet the criteria, NACTEC and UAF Northwest Campus. The \$85,000 NSEDC is contributing to ACEP for the Pilgrim Hot Springs study is allowed as a tax credit under this program. Another \$90,000 is still available. Dean Peterson stated that BSSD has provided some wood work and welding shops in our region, and would like to see if they are eligible. The deadline to take advantage of this tax credit is

before December 31, 2013. Dean Peterson would like to include the other sites in our district next year. Kyan stated that we could work with BSSD early next year to possibly get them ready to receive a donation.

Dean Peterson made a motion to approve the donation of \$85,000 to ACEP with the rest going to NACTEC. Frank Katchatag seconded the motion. The motion passed.

5. Laurie McNicholas Request-Kyan

NSEDC Legal Counsel Kyan Olanna presented a request to attend NSEDC board meetings from Laurie McNicholas who writes for the Nome Nugget. Kyan noted that Laurie McNicholas is an Anchorage resident, and she has reported for the *Nome Nugget* for a number of years. Kyan stated the board can determine who can be present at their meetings. Non-resident attendees can be invited as their business with NSEDC requires. Lucy Kitchen asked why Laurie moved to Anchorage. Staff wasn't aware of the reason. Chairman Harrelson noted that not allowing her to attend meetings would likely result in negative publicity. Don Stiles felt that we should get a local reporter to come to our meetings. Oscar Takak agreed, NSEDC should stick with the local resident policy. Janis noted Nancy McGuire expects a response. The request came in before the third quarter meeting, but is a blanket request for all our meetings. For purposes of outlining how he would respond, Tyler summarized the board's discussion and that by not making any motion, this request would essentially be denied. He said he would inform the Nugget that a Nome Nugget reporter living in the region be welcome to attend the meetings.

Chairman Harrelson stated that Oscar Takak requested discussion regarding the reduced price paid to fishermen delivering to the tenders.

Oscar Takak made a motion that the our salmon and crab fishermen in Golovin, Elim, Koyuk, Nome, and Shaktoolik not be charged five cents a pound less than those delivered to our processing plants. Harvey Sookiayak seconded the motion.

Simon Kinneen provided some background on the rationale for tender fees, noting that a major reason they were implemented was to incentivize fishermen with larger vessels to deliver their crab to Nome rather than to the tender in order to reserve tendering capacity for smaller vessels who were in greater need for those services. He indicated that management could likely address this through implementing a policy to restrict deliveries to small vessels as necessary. Chairman Harrelson asked about the potential problem to large vessels with expense to deliver to Nome versus delivering to Golovin. Don noted that he has a larger vessel and delivering one place or another based on the weather. Joe Garnie felt he could not vote one way or the other on this, but noted some board members have salmon or crab vessels.

The motion passed with four oppositions.

6. CEO Evaluation

Oscar Takak made a motion to go into executive session for the NSEDC CEO Evaluation at 3:25 p.m. Elvina Naranjo seconded the motion. The motion passed.

Oscar Takak made a motion to return to regular session at 4:01 p.m. Harvey Sookiayak seconded the motion. The motion passed.

Don Stiles made a motion, seconded by Harvey Sookiayak to approve the contract with Janis Ivanoff as discussed in executive session to extend for three years. The motion passed.

ADJOURNMENT

Harvey Sookiayak made a motion to adjourn the NSEDC Special Board Meeting at 4:02 p.m. on December 3, 2013. Milton Cheemuk seconded the motion. The motion passed.