

MULTI-SPECIES CDQ PROGRAMS
CVRF QUARTERLY ACTIVITY REPORT
JANUARY 1 THROUGH MARCH 31

STATUS AS OF MARCH 31, 2001, WITH SUBSEQUENT
ACCOMPLISHMENTS AND ACTIVITIES NOTED AS APPROPRIATE

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I. Quarterly Highlights

The Quarterly Highlights section for the 1st Quarter contains a description of all of the initiatives that CVRF currently has underway. This description will provide to the reader a general understanding of the progress being undertaken by CVRF to accomplish the goals and programs contained within its 2001-2002 Multi-Species CDP.

- Coastal Villages Pollock receives its first cash distribution from American Seafoods, LP.
- Pollock “A” Season is nearly complete with better than forecasted fishing success.
- Coastal Villages Seafoods receives grants from US Department of Agriculture and Community Development Block Grant to upgrade its Quinhagak salmon facilities.
- Coastal Villages Seafoods sends salmon crew members to Indian Valley International for two training sessions to prepare for the 2001 season.
- Coastal Villages Investment Fund begins implementation of a loan program taking the place of the AVCP Revolving Loan Fund
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II. Community Development

A. Progress toward goals, objectives, milestones

2001/2002 *Offshore Harvesting, Processing, and Investment Program*

2001/2002 *Groundfish Vessel Investments - Proposed*

- Investigate vessels or vessel owning companies in the freezer-longlining category

During the 1st Quarter, no opportunities to investigate vessels in the freezer-longline category arose. CVRF will be using this section to discuss the potential investment in an H&G factory trawler.
- Complete financial analysis of investment opportunities

Financial analysis of this investment commenced during the 1st Quarter. Full financial information will be available during the 2nd Quarter.
- Evaluate resource issues involving the species targeted, regulatory environment, biological status, allocative situation, and commercial value

Each of these issues will be evaluated as required by CVRF's Investment Policy.
- Monitor investments in offshore harvesting vessels on weekly and quarterly basis

No activity during the 1st Quarter.

2001/2002 *Crab Vessel Investments - Proposed*

- Make an investment in a second crab vessel.

Coastal Villages Crab has been in discussions with its crab CDQ partner about investing in a second crab vessel. More information should be available during the 2nd Quarter.
- Maintain two crewmembers on vessel during CDQ fishing and at least one crew member during open access fishing.

See above
- Participate in opilio crab, Bristol Bay king crab, and St. Matthew king crab open access and CDQ fisheries.

See above
- Achieve minimum rate of return.

See above
- Prepare financial statements and tax returns for new LLC

See above
- Monitor investments in offshore harvesting vessels on weekly and quarterly basis.

See above

2001/2002 Inshore Harvesting, Processing, and Investment Program
2001/2002 Shoreside Processing Development - Proposed

- Expand halibut buying operations in one additional communities - Hooper Bay

CVRF continues to work towards expansion of halibut buying operations to Kipnuk. There has been a hold up due to concerns of the USF&WS over endangered species. These problems appear to be resolvable and funding for the project may be available yet this summer. Operations will not begin until 2002 at the earliest. In addition, CVRF will be working with the communities of Hooper Bay, Chevak, and Scammon Bay on a second halibut test fishery during the summer. Results from 2000 do not appear to support the establishment of a new buying station in one of those three communities.

- Purchase at least 200,000 pounds of halibut

See above

- Operate using local work force only

See above

- Have each plant operational by June 1

See above

- Operate professionally, including proper accounting, efficient employment and crew replacement, efficient decision-making, successful marketing, and good communications

See above

2001/2002 Commercial Fisheries Support Businesses - Proposed

- Purchase one or more tender vessels to support the shoreside processing projects.

CVS conducted investigations of tender vessels for purchase throughout the 1st Quarter. A decision on an initial purchase will be made during the 2nd Quarter.

- Start up one or more businesses that support the Inshore Program - potential businesses include gear suppliers, construction contractors, repair services.

During the 1st Quarter, CVS obtained gear, constructed facilities, and repaired equipment at several of its salmon and halibut plants. These activities will continue to expand throughout the 2nd Quarter as CVS gets closer to the start of the fishing season. CVS has not yet begun to spin off these activities into a separate business venture.

- Provide training for local residents to operate the support businesses.

CVS, in conjunction with the Marine Advisory Program, CVRF, and Indian Valley International, sponsored two training sessions during the 1st Quarter. Topics included refrigeration, HACCP, new machine operations, safety, and quality control, in addition to many others. A third training session for CVS administrative staff is scheduled for May.

2001/2002 Infrastructure Development Program
2001/2002 Infrastructure Development - Proposed

- Provide technical assistance and organizational support during planning stages of the Regional Port Facility.

Activities in the 1st Quarter of 2001 included a regional gathering of CVRF member villages to discuss the draft Regional Economics Study report on the Regional Port project. During this gathering, representatives of the Alaska Army Corps of Engineers and their contracting agency, Tetra Tech Inc., reported that the regional port would not be economically feasible under the national benefits analysis. We committed to reviewing the draft study report and submitting consolidated comments from CVRF and member villages. Gathering the input from various representatives is currently underway.

- Provide matching funds for the project as it develops through the U.S. Army Corps of Engineers process

The matching funds for the regional port project cannot be made when the port, itself, has been deemed not economically feasible. The alternative to matching the project is to consider supporting the Corps recommended alternative improvement projects such as unloading facilities for the coastal villages.

- Support infrastructure projects identified through the “Ciunerkam Tangruarutii” process.

Throughout the first quarter, CVRF employees gathered information from villages on the status of the priority project proposals to be submitted to various funding agencies. Because the majority of the projects appear to be non-fisheries related, CVRF employees are offering technical assistance to communities interested in community development projects. Examples of our support include an analysis of the development planning, limited technical writing, availability of local technical skills, and referral to appropriate funding sources.

During the 1st Quarter, some projects that surfaced at various development stages included the Quinhagak Processing Plant Capital Improvement projects, Ice Machine needs for several processing plants, the Scammon Bay Aluminum Welding project, the Kipnuk Halibut Processing facility project, Chevak/Scammon Bay/Hooper Bay net mending project, Tundra region Channel Marker project, Black River Saltry project, and the Quinhagak Weir Project.

2. Active Projects

2001/2002 4-SITE Program

2001/2002 4-SITE Project and Support Services

- 25- 35 scholarships are awarded for academic or vocational training related to careers in the fishing industry.

There are currently 16 active scholarship recipients for the spring 2001 semester.

- 2-4 interns/ 4-6 apprentices are placed in CVRF affiliated CDQ business partners.

An Administrative Assistant intern completed a 3-month internship at the CVRF Anchorage office in January 2001. Currently there is one active Administrative Assistant that started her internship at the CVRF Anchorage office on March 13th.

- 10-12 CVRF residents are trained in technical skills related to careers in the fishing industry

A total of 28 residents in groups of three between January and March went through HACCP, seafood handling, use of automated processing equipment, refrigeration, quality inventory tracking, and machine/equipment operation went through training at Indian Valley International.

- Continue implementation of the Employment facilitation program with the following milestones:
- 2–4 new employers join CVRF’s employment facilitation network for CVRF residents’ training and job placement.

No new fishing companies were added to the employment facilitation network during the 1st Quarter.

- Recruitment, selection, management, and training of 2-4 recruiters and 15 administrative/management.

The following positions were filled in the first quarter: Community Program Manger, Rural Recruiter, Administrative Assistant – Anchorage Office, Senior Accountant, and Executive Office Administrator. The following position was recruited for in the 1st Quarter: Rural Recruiter and expected to fill in the 2nd quarter.

- Develop and conduct Business Plan Development and Operations Management training for subsidiary employees and village partner organizations.

As part of the CVS preseason training the topics of business plan development and operations management were covered at the managers February training facilitated by Doug Drum of Indian Valley International and Don Kramer, Marine Advisory Council. 12 key crewmembers successfully completed this training.

- Annual recruitment and placement of following crew: 12 crab, 14 crab processing, 40 bottom trawling, 12 Pacific cod, 6 sablefish/halibut, 115 Pollock, 50 halibut processing, 120 salmon processing, 14 value-added, 50 non-CDQ processing.

During the 1st Quarter the following recruitment took place:

Crab deck hands – 3

Crab/cod processors – 4

CDQ Pollock processors – 21

Non-CDQ partner pollock processors - 4

- Participate in 8-12 Local Advisory Council (State Workforce Investment Board) meetings to create active network of job referral and placements.

Staff attended 2 regular local advisory council meetings and 1 training session.

- CVRF sponsors Junior Achievement of Alaska in member villages and facilitates expansion of program throughout YK Delta.

The following outlines activities for Junior Achievement for 1st quarter:

4 additional member villages were added in our efforts to expand JA bringing the total to 13 member villages.

Jack Alcorn, District Manager for AJA visited Scammon Bay and conducted an on-site training session with local schoolteachers on March 6, 2001. Six teachers participated in training session.

4 more packets were completed. (3 in Kwigillingok, 1 in Chefnak)

- Initiate and maintain Coastal Villages Youth Leadership Program (CVYLP) in 16-20 villages.

The following outlines activities in the 1st quarter to initiate and maintain CVYLP:

- Researching each of our member communities to find out if there are any existing youth organizations.
- Researching what after school activities the school sites provide for the youth.
- Compiling all the data into one format.
- Numerous teleconferences to talk about our goals and what we need to accomplish each week towards establishing Youth Organizations.
- Numerous meetings to set a direction and a deadline for the goals that we need to accomplish.
- Telephone calls to Becky Napoleon who is one of the Directors for Youth Opportunity Group in Hooper Bay, Alaska.
- Telephone calls to Leroy Williams, Director of Cook Inlet Tribal Council (CITC) Youth Services.

- Correspondences with Leroy Williams Via E-mail and letter to discuss attending the Youth Opportunity Group conference. This conference would give us a better idea, what steps we need to actually set up Youth entities within member communities.
- Correspondences with Russell Coker, One of the personnel from United National Indian Tribal Youth (UNITY), to get more information about setting up a youth organization. What steps we need to take to become an affiliate of UNITY.

In our efforts to start a Pilot Youth Organization in Chevak and in Scammon Bay we have taken these steps:

- Present a resolution of support to City of Chevak and the Traditional Council of Chevak. Asked for support from Alfred Ulroan, a Wellness Counselor from Chevak in setting up a Youth Organization.
- Present a resolution of support to City of Scammon Bay and the Traditional Council of Scammon Bay. Our next step after our pilot projects is to begin the process of organizing a youth entity in other communities.
- Initiate and maintain Rural Education Adult Development (READ) program for village residents.

The READ program is still in the initial stages of development with the assistance of Kuskokwim Community College in Bethel. The ABE staff Kathy Hansen and Greg Williams are working cooperatively with CVRF to develop READ in the twenty member villages in the region. Community Program Managers have met with both of the KuC staff in the planning and establishment of village-based adult education program for the residents.

- Outgoing new crewmembers are invited to participate in the Coastal Villages' "Orientation for Success."

At sea recruiter with assistance of employment manager conducted Orientation for Success program with new ASC processors in January.

- 16-20 Unity Councils are initiated for the village youth.

The following outlines activity in the 1st quarter:

Correspondences with Russell Coker, staff member from United National Indian Tribal Youth (UNITY), to get more information about setting up a youth organization. What steps we need to take to become an affiliate of UNITY.

2001/2002 ***Offshore Harvesting, Processing, and Investment Program***
 2001/2002 *Groundfish Vessel Investments - Active*

- Kokopelli will employ three people from the region by the end of the season. The new crew member will receive training in longlining needed to achieve full crew member status.

The Ocean Harvester began the season with two region residents as crewmembers. Both are returning residents from previous service on the vessel. We anticipate that one or both will become full crewmembers by the end of the season.

- Kokopelli and CVL will provide an analysis prior to the season outlining the maximum capacity of the Ocean Harvester to harvest target species. Goal setting plans to reach these quotas will be made and, if necessary, additional quota investments will be considered to round out the fishing year.

An analysis of the fishing plan for 2001 was completed during the 1st Quarter.

- Preseason financial goals will be set including no additional capital infusion and rate of return for fishing season.

CVL anticipates that there will be no need for an additional capital infusion for this business during 2001.

- A CVRF region crewmember will be identified for long term commitment to work on an iceboat with IFQs and CDQ and a plan laid out for the individual's investment in the Ocean Harvester or similar type vessel.

CVP is working with the two crewmembers on the vessel to determine their interest in long-term participation in the longline fishery. CVRF is working with a region resident who owns halibut IFQ to determine the feasibility of expanding his participation into vessel ownership.

- Monitor investments in offshore harvesting vessels on weekly and quarterly basis.

Activities of the Ocean Harvester are monitored on a weekly basis during the fishing season.

- Ocean Prowler will employ four people from the region by the end of the season. The new crewmember will receive training in longlining needed to achieve full crewmember status.

One returning crewmember was employed during the 1st Quarter.

- Ocean Prowler and CVLLLC will provide an analysis prior to the season outlining the maximum capacity of the Ocean Prowler to harvest target species. Goal setting plans to reach these quotas will be made and, if necessary, additional quota investments will be considered to round out the fishing year.

The Ocean Prowler provided CVL with a preseason analysis of its fishing opportunities for the 2001 season.

- Preseason financial goals will be set including no additional capital infusion and rate of return for fishing season.

CVL does not expect to provide additional capital to the vessel during this calendar year.

- Monitor investments in offshore harvesting vessels on weekly and quarterly basis.

Harvesting by the vessel is monitored on a daily basis. CVL maintains close contact with the vessel manager on a variety of fishing-related issues, including bycatch management, employment, etc.

2001/2002 Crab Vessel Investments -Active

- Maintain two crewmembers on vessel during CDQ fishing and at least one crew member during open access fishing.

The Silver Spray has continued to meet its employment goals during CDQ and open access fishing, including during the 2001 opilio crab season.

- Monitor investments in offshore harvesting vessels on weekly and quarterly basis.

CVC receives weekly reports on the operations of the Silver Spray.

2001/2002 Pollock Vessel Investments - Active

- Analyze and, if determined beneficial, increase ownership interest in American Seafoods above the 20% level.

CVP increased its investment to 22% in late 2000. This decision was based upon a financial analysis that indicated that an increase at the “going in price” was justified.

- American Seafoods will offer employment to in excess of 50 people in all aspects of the American Seafoods businesses.

American Seafoods and CVRF continue to work on improving the number of individuals hired from the region. For the “A” season, thirty-one region residents were offered positions. Of this number, twenty-one went to work.

- CVP will participate on the American Seafoods board to further the purposes of the company and to further the goals of the CDQ program for the Coastal Villages region.

CVRF representatives attended all meetings of the American Seafoods board. Executive Director, Morgen Crow, was named to the board’s audit committee.

- Preseason financial goals will be set including no additional capital infusion and rate of return for the fishing season.

American Seafoods provides comprehensive preseason revenue and expense goals. No additional capital infusion is expected to be made by CVP.

Monitor investments in offshore harvesting vessels on weekly and quarterly basis.

Harvests are monitored on a daily basis. During the “A” season American Seafoods send s out weekly reports on its fishing activities.

2001/2002 *Inshore Harvesting, Processing, and Investment Program*

2001/2002 *Shoreside Processing Facilities - Active*

- For Kuskokwim salmon

Make determination about expansion of Kuskokwim salmon program into the mainstem of the river.

During the fall/winter of 2000, CVS made a determination that it would not expand into the Kuskokwim River short of an identifiable need to provide a market. During the winter, the Board of Fisheries effectively closed the river to salmon fishing in June and July. The remaining question is whether there will be sufficient processing capacity during the August coho run. A final decision on activities in the river will be made during the 2nd Quarter.

Based upon the expansion decision, purchase salmon in all Kuskokwim fishing districts.

As of the end of the 1st Quarter, CVS expects to operate in Kuskokwim Bay districts only.

Expand quality control program

CVS plans to require all fishermen to ice fish prior to delivery at the dock. If ice is available, any fish delivered without ice will be rejected.

Capital investment in ownership in facilities operating salmon processing business

CVS is making substantial investments into the salmon processing facilities in Quinhagak. Enlargement of the main plant, upgrade of the freezer, addition of a bunkhouse, and the purchase of new equipment are all being completed in preparation for the 2001 season.

Expand value-added production

CVS is gearing up to produce fresh salmon fillets, frozen vac-pac fillets, fresh and frozen portions, and finished salmon roe. In addition, CVS will be continuing its smoking program with Indian Valley Meats for its lower value production.

Conduct successful employment and training program, including filling all available positions with local hire, up to 3 internships, and on-the-job training

During the 1st Quarter, CVS conducted two training programs for its salmon and halibut managers and lead employees. Internships and on-the-job training will begin during the 2nd Quarter.

Obtain fishermen loyalty of 75% of Goodnews Bay fishermen and 60% of other region fishermen

CVS will continue to work with Kuskokwim Bay fishermen to develop long-term company loyalty. CVS paid a bonus to its fishermen in December 2000 as part of its loyalty program.

Operate professionally, including proper accounting, efficient employment and crew replacement, efficient decision-making, successful marketing, and good communications

CVS has gone through an extensive planning process in preparation for the 2001 season. It has applied for grants from several funding agencies, which applications have been well received. It has purchased a great deal of equipment and supplies and forwarded these items to Quinhagak by mainline carrier. CVS will continue working on improving its operations.

For Area 4E halibut project:

Purchase at least 200,000 pounds of halibut

CVS plans on purchasing up to 350,000 lbs of halibut from Area 4E.

Operate with local work force only

Recruitment for the local labor force will begin in the 2nd Quarter. Managers for each facility were to start working on April 1st.

Have each plant operating by June 1

CVS expects to be operating by June 1 at all plants.

Operate professionally, including proper accounting, efficient employment and crew replacement, efficient decision-making, successful marketing, and good communications

CVS conducted a training program for its plant managers; is organizing communications through the plant superintendent; and is setting up procedures for improvements to facilities and purchase of equipment. All of these initiatives will lead to a well-run operation during the fishing season.

- For Bering Sea herring

Offer technical assistance to the regional herring associations.

CVRF worked with the Nuniwarmiut by contacting herring associations that may be interested in being involved in their purse seining operation out on Nunivak Island. The Goodnews Bay District fishermen discussed plans to provide technical assistance as they sought to organize a Herring

Fishermen's Association. CVRF provided technical assistance to Qaluyaat Herring Fishermen's Association in their efforts to reorganize as a not for profit corporation.

Support efforts of the regional herring associations and fishermen in ways agreed to by CVRF and the fishermen.

CVRF conducted two teleconference calls among the herring associations that discussed the plans to develop a regional herring association coalition.

Develop at least one additional village-based community development projects.

No activity during the 1st Quarter.

Monitor investments in inshore fisheries on a weekly and quarterly basis.

No activity during the 1st Quarter.

2001/2002 Sportfish Guiding Service

- Manage Arolik River LLC to agreed standards of success

Arolik River LLC has been completely booked for the 2001 sportfishing season. Management has limited the impact on the Arolik River by maintaining the weekly clientele to four. The success of the Arolik River is due to the pristine and secluded setting, as well as the incredible fishing provided by the river.

Outreach to the local community regarding the low impact and high return the investment is making is taking place and a community meeting is going to be held toward the end of May.

The LLC members are working together to accomplish and manage the Arolik River venture for the continued achievement of company goals.

- Establish human resources development goals identified for CVA and region

Goals of the CVA are as follows: 1) Contact Alaska West and KRSI representatives and complete job analysis forms – complete; 2) After reviewing job analysis forms, write job descriptions for positions available with the venture – complete; 3) Develop application process outline, prescreening interview, process reply, application packet – complete; 4) Contact CVRF Human Resource Specialist and discuss job grading, performance reviews, and benefits/compensation packages. Decide with Alaska West on the details – complete; 5) Advertise and utilize current pool – in progress; 6) Orientation and training process – in development with Alaska West, KRSI, and CVRF.

- Explore possible expansion of guiding service to other rivers within region.

Currently assessing Alaska West, LLC as a possible acquisition. This would expand the sportfishing guiding service of CVRF to the Kanektok River. CVRF will continue to perform due diligence regarding the potential acquisition throughout the next quarter.

2001/2002 ***Loan Programs*** *2001/2002* *Fisheries Retention Project*

Through CVIF:

- Establish CVIF/CVRF loan program serving needs of fisheries-related businesses in region.

Loan program was established in Winter 2000/01. The loan program will provide loans once a year, with an application closing March 16 the first year. Loans are available to CVRF member village residents for the

commercial fisheries, including gear, boats, motors, equipment, permits, and IFQs. CVRF has tentatively approved 17 loan applications in 2001 for a approximate total of \$151,000. All applicants will be required to attend a financial education class on Tuesday, April 24 to ensure they understand the program, credit, and responsibilities of entering into loan agreements. Disbursement will follow shortly thereafter.

- Assist fishermen in the purchase of additional halibut and sablefish Quota Shares.

An offering for loans was made between February 5 and March 16 to all CVRF member villages. No applications were received from residents for halibut and sablefish quota shares.

- Provide a loan to one additional aluminum welding business and other fisheries-related businesses.

Currently assessing the possibility of a loan to the community of Scammon Bay for an aluminum welding business. Also working with them to identify other sources of funding to fully complete the project. Staff has been in discussions with an aluminum welder from Kodiak who would work with our villages to design and implement an aluminum welding business that would provide a low-cost alternative to fully assembled boats out of the Pacific Northwest. Aluminum pieces would come pre-cut and ready to assemble. This would greatly save on shipping charges, as flat shipping is the cheapest rate available.

- Provide loan criteria, policies, and procedures

Loan policies, criteria and procedures have been developed and implemented. Loan Committee has met and decided the initial year's clients. 54 applications were received with a total request of approximately \$572,000. 17 are tentatively approved with an approximate total of \$151,000.

- Conduct a major outreach initiative to promote the loan program through local newspapers and CVRF Quarterly newsletters

A major outreach initiative was completed between February 5 and March 16. Each commercial fisher in each of the villages was mailed an application. Additionally, flyers were posted in every public building in every community in the region. The newsletter promoted the program as well. Staff decided not to advertise in the paper because of the wide distribution in non-CVRF villages and the possibility of receiving many ineligible applications, confusing local residents, or creating jealousy or envy in the Y-K Delta.

- Loan committee to meet quarterly to discuss loan program, review applications, and address areas needing modification.

Loan Committee met on April 10, 2001 and decided this year's loans.

2001/2002 ***Tax and Permit Assistance Program***

2001/2002 *Fisheries Retention Project*

- Support VITA program in at least six villages during the tax-filing season.

The Alaska Business Development Center VITA program traveled to seven communities during the 1st Quarter. Over 772 individual returns were filed serving over 1,700 persons.

- Assist taxpayers who are in danger of losing their permits.

Ninety-nine commercial fisheries permit holders and twenty-three crewmembers received assistance in filing their tax returns for 2000 ensuring the continued ability to use their permits in the future.

- Obtain permits for fishermen from the CVRF region.

CVRF began the process of obtaining permits for the 2001 halibut season. No IFQ or CFEC permits were obtained during the 1st Quarter.

2001/2002 ***CVRF Development Project***
2001/2002 *CVRF Development Project*

- Conduct on-going analysis of capabilities of staff, board, resources in the region, and performance.

The following activities addressed:

Staff capabilities – multiple meetings were conducted to review staff capabilities in consideration of an organizational redesign. Additionally, individual performance appraisals were conducted for those scheduled during the 1st quarter.

Board capabilities – CVRF Board Orientation was reviewed and improved prior to a session being conducted in the 1st quarter. Board performance issues were addressed when necessary.

Resources in the region – staff conducted follow up surveys for all village based project priorities that were identified during the CT process and Funding Summit. Outstanding information and action items were compiled to assist village-based entities acting as lead for the projects.

Organizational performance - a written survey polled employees on organizational performance issues

- Maintain “Standards of Leadership” for Board of Directors.

Any behavior of individual CVRF Board of Directors members, which were not seen as congruent with our Standards of Leadership, were addressed through a process of constructive discipline including verbal and written notice to the appropriate parties regarding performance discrepancies.

- Develop system of 360-degree performance feedback for senior management.

CVRF is researching models through professional associations and internet websites for applicability of CVRF structure.

- Develop and maintain Continuous Improvement (CI) Model for Board, Management and 4-SITE Program activities.

CVRF is researching Continuous Improvement models through professional associations and internet websites for applicability of CVRF programs/structure.

- Conduct an annual Board retreat.

The annual board retreat was scheduled for the 2nd Quarter.

- Meet outreach goals, including notices to communities, newsletters, and newspaper articles.

Notices for all employment offerings, training opportunities, and public meetings were posted in villages. The 1st Quarter newsletter was distributed in March. CVRF continued sponsorship of native news was renewed for another six months.

2001-2002 ***Outreach Plan***
2001-2002 *Outreach Project*

- Host monthly 30 minute “Alaska Rural Development 2000” program on ARCS

CVRF hosted three shows in the first quarter that discussed the following topics: Funding Summits; Community Support Service Programs; and Marine Transportation Projects in Rural Alaska.

- Quarterly newsletter publication continues.

The Neqsurtet Nepiit was distributed in March.

- Sponsor Native News and Weather on KYUK.

CVRF continues to sponsor Native News and Weather on KYUK and just recently renewed commitment for another 6 months.

- 6-8 village potlatches are sponsored.

CVRF co-sponsored a potlatch during the Louis Bunyan Memorial in March. CVRF has been planning to host a potlatch in Napaskiak during the 2nd quarter.

- Website of all CVRF affiliated organizations is designed and made accessible via the internet

CVRF staff has compiled information to be put on the Website.

- Initiate Emerging Leaders Program, conduct pilot project for 10-20 participants from villages

This program's projected implementation date is 2002.

- 5-6 bi-monthly informational articles are submitted to the Tundra Drums for publication

No activity.

- CVRF sponsors Junior Achievement of Alaska in member villages and facilitates expansion of program throughout YK Delta

The following outlines activity for Junior Achievement in the 1st Quarter:

- 4 additional member villages were added in our efforts to expand JA bringing the total to 13 member villages.
- Jack Alcorn, District Manager for AJA visited Scammon Bay and conducted an on-site training session with local school teachers on March 6, 2001. Six teachers participated in training session.
- 4 more packets were completed. (3 in Kwigillingok, 1 in Chefornak)

- CVRF participates in development of interorganizational committee for regional training initiatives.

CVRF representatives participated in 2 Local Advisory Council meetings of the Statewide Workforce Investment Board and in addition to being a founding member for the Youth Council WIB. CVRF representatives also participated in an organizational planning meeting of the Yuut Elitnaurviat and were chosen to be part of the delegation that presented the Yuut Regional Project to the Governor.

- CVRF interns design and complete village-based improvement project that supports or compliments a goal identified in CVRF's CDP.

An Administrative Assistant intern submitted a CDP proposal in January on her experience as an Intern and how it has benefited her learning and entrance into the workforce.

- CVRF works with industry HR Coalition to establish FishNet, an interactive, computer-based school-to-work curriculum

CVRF is in the planning stages for an HR Industry Coalition to be invited to Anchorage to be conducted in June.

2001/2002 *Administration*

2001/2002 Administration

- Adopt an annual budget and submit to the State by December 15

The 2001 budget was submitted to the State by December 15.

- Maintain spending at levels authorized by budget and submit amendments to cover unexpected expenses.

CVRF submits monthly budget to actual reports to the board. No amendments this quarter.

- Maintain existing levels of office staffing and only expand staff where a recognized need has been identified.

CVRF hired senior accountant to take place of consultant. Also, we currently there are some additional vacancies in the recruitment process.

- Maintain office equipment and supplies in top condition.

All equipment and supplies appear to be in top condition. We also have several maintenance contracts.

- Provide services to the projects sponsored by CVRF and its subsidiary companies.

CVRF provides all human resources and accounting services to its subsidiary companies. In addition, CVRF provides financial reporting support to Silver Spray Seafoods, LLC and the Arolik River Guiding Service, LLC. Other support services include marketing and logistical support for salmon and halibut programs run through CVS and monitoring activities with its other partner companies.

- Complete evaluations of staff in a timely manner.

Performance Evaluation dates were updated in March and kept at the Anchorage office.

- Conduct quarterly meetings of the board of directors and monthly meetings of the Executive Committee.

An Executive Committee meeting was held in January. The 2001 1st Quarter meeting of the board was held in February in Bethel.

- Submit quarterly and annual reports, financial audits, and meet other regulatory deadlines.

The 4th Quarter 2000 report was submitted in a timely manner in January 2001. KPMG did our audit for 2000 and they are in the process of completing our financial statements.

- Prepare and submit application for the 2003 CDQ allocation process in a timely manner.

To be completed in 2002.

2001/2002 CVIF

- Ensure that CVIF receives its credit as receivable under the Alaska Landing Tax Credit program from its partners.

CVIF received three separate credits from three partners: American Seafoods Company, Ocean Prowler, LLC and Ocean Prowler, LLC.

- Begin enforcing policies and procedures as designed in the recently established CVIF Grant Program.

The policies and procedures of the Grant Program improved the flow of applications received from member villages and service organizations proposing to implement fisheries related projects in our communities.

- Perform a region-wide advertisement regarding the newly established grant guidelines and application procedures.

The Tundra Drums and Delta Discovery newspapers serving the CVRF region each issued two separate advertisements regarding the grant guidelines and application procedures. As a result, inquiry about the program increased, allowing an improved public notice to potential applicants.

- Conduct quarterly meetings to review grants submitted by eligible grantees for approval and discuss areas needing program administrative adjustment.

The first quarter meeting involved the review and determination of applications received by the December 2000 deadline. During this time, the committee made several recommendations to change the guide as part of the continuous improvement effort.

- Perform assurance tests on grantees to identify fiscal and administrative capabilities of applicants.

The first application received following the guidelines already indicated red flags that the fiscal and administrative capabilities of the applicants may be questionable. Having this requirement in place ensures the best use of our funds by capable entities throughout the region.

- Monitor performance of grants and assure compliance of grant reporting requirements.

CVIF did not anticipate any 1st Quarter reports from grantees.

- Approve no less than (4) feasible proposals that meet the funds criteria established under the Alaska Landing Tax Credit program statute and regulations.

CVIF did not approve proposals during the 1st Quarter. However, a request submitted by the deadline of March 15 received a favorable response during the April meeting.

- Provide technical assistance to denied applicants by making referrals to outside agencies capable of meeting their programmatic needs.

The applicant that did not receive approval was referred to the USDA Rural Development program for consideration in their Revolving Loan Fund program.

2001/2002 Passive Investments

- All investments are to be made in compliance with CVRF investment policy

No change in our investing for the 1st Quarter. CVRF is in compliance with policy.

- All cash and cash equivalents earn a 4% rate of return for short-term holdings.

Liquid cash not needed for operations was held in money funds that earned more than 5%.

- All cash and cash equivalents earn an 8% rate of return for investments of more than one year.

Investments in equities have not achieved a positive return this year.

- Budgeted revenues and budgeted expenses analyzed to manage cash flow and cash needs.

Cash flow need is analyzed on an on-going basis. CVRF encountered no problems in this regards during the 1st Quarter.

- Cash in balanced portfolio consistent with investment policy.

CVRF is in compliance with its investment policy.

2001/2002 CDQ Contract Management

- Ensure that each royalty contract with harvesting partners is in full force and effect.

CVRF has royalty contracts with each of its harvesting partners in full force and effect.

- Obtain approvals for amendments to the royalty contracts as necessary and appropriate.

CVRF received approval to enter into a contract with the Alaskan Leader to harvest Pacific cod. CVRF also received approval to transfer Atka mackerel and POP to APICDA and turbot to NSEDC.

- Monitor performance of harvesting partners and inform them of compliance issues.

CVRF monitors the performance of its harvesting partners on a daily basis. The only issue to arise this year concern the bycatch of certain species.

- Ensure that royalty payments are being made according to contract terms.

CVRF monitors royalty payments to make certain they remain on schedule. No problems were reported in the 1st Quarter.

- Negotiate contracts for the 2003 – allocation period.

To be completed in 2002.

2001/2002 CDQ Quota Management

- Monitor pollock and multi-species allocations

CDQ allocations are monitored on a daily basis.

- Prepare CDQ harvest activity and status reports

CDQ harvest reports are supplied to each harvesting partner on a daily basis while fishing for CDQ. Quarterly reports are prepared for submission to the State of Alaska and NMFS.

- Ensure that CVRF is in compliance with Federal, State, local regulatory and legal requirements.

CVRF works with its partners on compliance issues. No issues arose during the 1st Quarter.

B. Employment

1. Data Form

EMPLOYMENT FORM

	QUARTER	YEAR-TO-DATE		YEAR TO DATE		
		Positions	Wages	Positions	Wages	People
MANAGEMENT/ADMINISTRATIVE	26(CVRF)		\$240,319	26	\$240,319	26
CDO POLLLOCK RELATED C/D Season	21 (American) (Westward)		\$21,641	21	\$21,641	21
HALIBUT/SABLEFISH RELATED OFFSHORE ONSHORE (fishermen)	2(OH)		\$		\$	
OTHER FISHING SALMON AND HALIBUT PROCESSING (CVS) HAKE (American) CRAB AND COD	8(CVS MGT) 5		\$55,085 \$9,730	22	\$103,795	22
FLATHEAD SOLE	3(Icicle) 5(Silver Spray crab) 1(Prowler Fisheries)		\$14,185 \$9,778 \$15,017			
OTHER EMPLOYMENT/ CVRF	2(contract)		\$1,440	2	\$1,440	2
INTERNSHIPS CVRF Icicle	2		\$2,949	2	\$2,949	2
TOTAL	75		\$370,144	75	\$370,144	75

2. Summary

American Seafoods pollock CDQ wages from the “A” season will appear in the 2nd Quarter report. CVS processing labor during the 1st Quarter covers the construction crew.

C. Training

1. Data Form

	QUARTER People	Expenditures	YEAR-TO-DATE People	Expenditures
SCHOLARSHIPS				
Postsecondary	13	\$29,195	13	\$29,195
Vocational	3	\$9,676	3	\$9,676
VOC-TECH CLASSES				
Basic				
Advanced				
OTHER TRAINING				
Fisheries related	28	\$74,882	28	\$74,882
Student Loans				
CDQ Staff/Board/Interns	7	\$18,835	7	\$18,835
Other – Leadership Team				
OTHER EXPENDITURES				
To Educational Institutions				
Educational Endowment Funds				
TOTAL	51	\$132,588	51	\$132,588

2. Summary

1st Quarter wages for processing workers with American Seafoods will be reported during the 2nd Quarter.

3. Other Issues

III. Administration

A. Board Activities

1. Changes in Members

Helen Kaganak was appointed as a new board member representing Napaskiak and Jolene Nukusuk was appointed to represent Hooper Bay. Both were seated at the February 22nd board meeting.

2. Decisions

At its February meeting, the board approved changes to its by-laws updating the terms for the new communities and setting a compensation rate for participation at non-CVRF meetings. In addition, the board approved the dissolution of Angyat, Inc. and approved further due diligence on the Nordic Viking and the Cape Horn.

3. Minutes from any meeting

See attached minutes

B. State of Alaska Reporting Compliance

The 4th Quarter 2000 report was submitted in a timely manner in January.

C. Amendment Status

Amendments were approved to add the Alaskan Leader as a harvester of Pacific cod, transfer of turbot to NSEDC, and transfer of Atka mackerel and Pacific Ocean Perch to APICDA.

D. Other Issues

IV. Harvesting Report

A. Pollock & Multi-species Harvest Activities by Target Fishery

1. Table of Data –

SPECIES: POLLOCK

Season	CDQ Allocation	Metric Tons Harvested	1 st Qtr.	2 nd Qtr.	3 rd Qtr.	4 th Qtr.	YTD Harvest	Target Fishery Information
“A/B”	13,440	11,487,901					11,487,901	85%
“C/D”								
BYCATCH								
EAI Atka Mackerel	.019							
Other rockfish - BS	1,050	.204					.204	
Other red rockfish - BS	.074	.412					.412	
True POP – B S	.190	.041					.041	
Sablefish - BS	1	.278					.278	
Turbot – BS	9,090	1,120					1,120	
Pacific cod	65,470	34,675					34,675	
Yellowfin sole	2.44	.567					.567	
Flathead sole	71,020	35,314					35,314	
Arrowtooth	4,190	4,793					4,793	
Other species	22,060	19,714					19,714	
Other flats	1,110	.779					.779	
Rock sole	116,230	32,470					32,470	
PROHIBITED SPECIES								
PSQ total Bairdi		2					2	
PSQ Chinook	250	297					297	
PSQ Other salmon	75	104					104	
PSQ Red King Crab – 10 min								
PSQ Other Tanner Crab								

Halibut mortality	3.070	1.196				1.196	
Total Harvest							

SPECIES: PACIFIC COD

	CDQ Allocation	Metric Tons Harvested	1 st Qtr.	2 nd Qtr	3 rd Qtr	4 th Qtr.	YTD Harvest	Target Fishery Information % of Target Harvest
	Pacific cod	2397.000	31.819				31.819	1.3%
BYCATCH								
EAI Atka Mackerel		.259						
WAI Atka Mackerel		.005						
Other rockfish - BS		.613						
Other rockfish - AI		.750						
Other red rockfish - BS		.500						
True POP - B S		.750						
True POP - EAI		.500						
Sablefish - BS		.030						
Turbot - BS		8.143						
Sharpchin/Northern		.300						
Yellowfin sole		.666	.095				.095	
Flathead sole		12	.007				.007	
Arrowtooth		21.840						
Other species		310	2.022				2.022	
Other flats		.530						
Rock sole		.860	.002				.002	
Shortraker/rougheye		1						
PROHIBITED SPECIES								
PSQ total Bairdi								
PSQ Chinook								
PSQ Other salmon								
PSQ Red King Crab - 10 min								

PSQ Other Tanner Crab									
Halibut mortality	14,300		.027						
Total Harvest									

Summary of Bycatch.

2. Summary of Bycatch.

SPECIES: OPILIO TANNER CRAB

	Pounds Allocated	Pounds Harvested	Percent of allocated	% of Target Fishery
Total Harvest Opilio	319,272	314,843	98.6%	98.6%

2. Summary of Bycatch.

No bycatch issues associated with this fishery.

CDQ TRANSFERS

Species	Metric Tons Allocated	Metric Tons Harvested YTTD	% of Allocation	Transfer In	Metric Tons Harvested YTTD	% of Transfer Harvested
Other Species	270,368	21,736	6.8	74,945	0	0
Species	Metric Tons Allocated	Metric Tons Harvested YTTD	% of Allocation	(Transfer Out)	Metric Tons Harvested YTTD	% of Transfer Harvested
Non-Specific Reserve	74,954	0	0	(74,954)	0	0
Greenland turbot - BS	63.3	1.12	1.7	(50.5)	0	0
Other rockfish - BS	9.18	.204	2	(0.5)	0	0
Other red rockfish	1.6	.412	.25	(.2)	0	0
Arrowtooth	154,369	4,793	3.1	(2)	0	0

Other Species	270,368	21,736	6.8	(2)	0	0
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TOTAL CDQ HARVEST

Species	2001 CDQ Allocation	Trans In	Trans Out	CVRF 2001 CDQ Harvests by Quarter and Yearly Total				YTD Harvest	Percent of Allocation
				1 st Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr		
Atka Mackerel									
Eastern 541	87.75			.278				.278	.3
Central 542	378.00								
Western 543	313.95			.005				.005	<.1
Arrowtooth	154.369		(2)	4.793				4.793	3.1
Other flatfish	210.00			.779				.779	.3
Flathead sole	450.00			35.321				35.321	7.8
Turbot (BS)	63.30		(50.5)	1.12				1.12	8.7
Turbot (AI)	43.68								
Pacific cod	2,397.00			66.494				66.494	2.7
Pollock	33,600.00			11,487.901				11,487.901	34
A/B	13,440.00			11,487.901				11,487.901	85.4
C/D	20,160.00								
POP – BS	23.40			.041				.014	<.1
POP									
Eastern 541	32.70								
Central 542	28.80								
Western 543	53.40								
Other Red Rock	1.60		(0.2)	.204				.204	14.5
Sharp/Northern	75.90								
Short/Rougheye	12.24								
Other rock – BS	3.24		(0.5)	.204				.204	6.2
Other rock – AI	9.18								
Rock Sole	618.75			33.33				33.33	5.3
Sable Trawl BS	10.03			.278				.278	2.7
Sable Trawl AI	4.70								
Sable Fix – BS	0.00								

B. Compliance

No compliance issues arose during the 1st Quarter.

C. Other Fishing Issues/Activities

During the 1st Quarter, initial indications of a greater than anticipated harvest of Other Species (e.g., skates) became apparent. The result is that CVRF may not be able to harvest its CDQ allocation, specifically for Pacific cod. CVRF is working with the other CDQ groups and industry partners to address this problem.