

POLLOCK and MULTI-SPECIES CDQ PROGRAMS
CVRF QUARTERLY ACTIVITY REPORT
APRIL 1 THROUGH JUNE 30, 2000

STATUS AS OF JUNE 30, 2000, WITH SUBSEQUENT
ACCOMPLISHMENTS AND ACTIVITIES NOTED AS APPROPRIATE

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I. Quarterly Highlights

The Quarterly Highlights section for the 2nd 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 1998-2000 Pollock and Multi-Species CDP.

- Coastal Villages Seafoods opens for business for the 2000 fishing season.
- Kuskokwim Bay salmon season opens on June 15 at Quinhagak.
- Salmon filets and H&G products are produced at the Quinhagak plant.
- Area 4E halibut fishery opens on June 6 at Quinhagak.
- Halibut plants are operating in Quinhagak, Toksook Bay, Tununak, and Mekoryuk during June
- Construction of halibut plant in Chefornek begins with expected completion during 3rd Quarter.
- CVRF completes first round of its community outreach program – “Ciunerkam Tangruaritii” – in all twenty-member communities.

II. Community Development

A. Progress toward goals, objectives, milestones

2000 Shoreside Processing Facilities

- Expand halibut buying operations in one or two additional communities - choices include Kipnuk, Chefornek, Quinhagak, or Scammon Bay/Hooper Bay

Halibut buying operations were expanded into Quinhagak during the 2nd Quarter. This is the first time that halibut have been harvested commercially in this portion of Kuskokwim Bay. At the same time, work began on retrofitting the Chefornek freezer into a halibut buying station. Completion date for the plant is scheduled for late July or early August. CVS plans to operate the plant towards the end of the 2000 halibut season.

The Kipnuk plant is awaiting final approval from the Economic Development Administration. If approved construction will begin late in the summer for operations beginning in 2001. Approval of funding has been awaiting Endangered Species Act consultation with the USF&WS. Once this is obtained, the project will move forward. Finally, fishermen in the Hooper Bay, Chevak, and Scammon Bay area are conducting a test fishery to determine whether a seventh plant should be constructed at Hooper Bay to serve these three northern communities.

- Purchase at least 200,000 pounds of halibut

CVS is well on its way to purchase at least 200,000 pounds during the 2000 season.

- Operate using local work force only

All plants are to use an exclusively local work force. To date, local resident plant managers have been hired for five plants. These managers are then responsible for recruiting processing workers within their communities.

- Have each plant operational by July 1

Quinhagak, Toksook Bay, Tununak, and Mekoryuk begin buying operations in June. CVS is working with Chefornek to begin operations during the summer season.

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

CVS and CVRF are continuing to improve the operations of the salmon and halibut businesses for the 2000 season. Key staff attended training during the 4th Quarter of 1999 and again during the 1st Quarter of 2000. Supplies and equipment orders have been ongoing during this reporting period. Human Resources plans for the plants' manpower structure, recruitment, selection, and compensation strategies have been developed. No operational difficulties were encountered during the first month of operation.

2000 Groundfish Vessel Investments

- Investigate a minimum of three vessels or vessel owning companies in the freezer-longlining category

Completed during the 1st Quarter.

- Complete financial analysis of investment opportunities

Completed during the 1st Quarter.

- Evaluate resource issues involving the species targeted, regulatory environment, biological status, allocative situation, and commercial value

Completed during the 1st Quarter.

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

CVL requests its partner companies to submit weekly reports describing in summary fashion the activities of the previous week. In addition, CVL monitors CDQ harvests on a daily basis and receives quarterly financial reports. CVL has instituted this program for the Ocean Prowler.

2000 Crab Vessel Investments

- Make an investment in a second crab vessel.

No activity during the 2nd Quarter. Due to the uncertainty of future crab harvest levels, Coastal Villages Crab, LLC is taking a cautious approach to further investment in this sector.

- Maintain two crew members 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, monthly, and quarterly basis.

See above.

2000 Pollock Vessel Investments

- Investigate investment in the pollock sector by reviewing proposals in the factory/trawler (vessels or companies) and catcher vessel sectors.

Completed during the 1st Quarter.

- Complete financial analysis of investment opportunities

Completed during the 1st Quarter.

- Evaluate resource issues involving species targeted, regulatory environment, biological status, allocative situation, and commercial value.

Completed during the 1st Quarter.

- If feasible, complete investment during 2000

The investment in American Seafoods was completed on January 28, 2000.

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

CVP receives weekly reports from American Seafoods during the height of fishing activity and monthly reports during the remainder of the year. In addition, financial information is presented on a monthly basis.

2000 Sports Fishing Services

- Develop business plans for two additional rivers

Expansion of the sport fish guiding service into additional rivers is on hold at the present time.

- Develop investment schedules for two additional rivers

See above.

- Manage Arolik River LLC to agreed standards of success

For the 2000 season, the significant issues surround the ability of the Arolik River to support a high-end sport fishing experience. To date, reports from the manager indicate that fishermen have been very pleased with their fishing experience. A meeting of the parties will occur at the end of the season to make plans for the 2001 season.

- Complete management review of KRSI

No activity to date.

- Establish human resources development goals identified for CVAI and region

Mary Oslin and Mike Sanders of Alaska West established a training plan for two Coastal Village resident trainees for the summer operation. One trainee will be assigned to the Alaska West camp on the Kanektok River to learn the service trait and qualities of a full-service lodge. The other trainee has been assigned to the guiding side of the business.

2000 Shoreside Processing Development

- Continue salmon buying and processing business in Kuskokwim Bay with the following performance measures:

Purchase at least 1.5 million pounds of salmon

The season began during the middle of June. Early fishing indicates that the goal will be met and surpassed during the 2000 season.

Institute a quality control program in conjunction with the ARDOR

CVS has determined that it will continue its quality control program as a part of its internal operations. CVS has instituted an incentive program for iced and bled fish that is delivered to the dock. A report on the success of this program will be available at the end of the 3rd Quarter.

Invest in operations only up to the initial capitalization

CVRF has made a second capitalization of the salmon operation for the 2000 season. CVS plans to operate within those financial constraints.

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

CVS is continuing the successful employment and training program begun in 1999. Warren Jones, a resident of Quinhagak, has returned as the operations manager for the Quinhagak plant. Warren acted as an assistant during the first part of the 1999 season, before taking over full responsibilities for operations during August. Warren has attended two training sessions (one during the 4th Quarter and again during the 2nd Quarter). Warren is responsible for filling all positions at the Quinhagak plant with local labor. He anticipates the ability to increase production in Quinhagak from 11,000 pounds in 1999 to 300,000 pounds in 2000 all with a local labor force. For the month of June, a total of 44 individuals were hired to work at the Quinhagak plant. This equals 7% of the total population of the Quinhagak.

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

Other than for the first period, CVS has been the only purchaser of salmon in the Kuskokwim Bay fishing districts.

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

CVS has conducted extensive planning in preparation for the 2000 season. The 1999 Business Plan has been updated for the upcoming season. CVS believes that it has the mechanisms in place to operate successfully this year.

- Continue halibut buying and processing business on Nelson Island with possible expansion into other communities, with the following performance measures:

Purchase at least 200,000 pounds of halibut

The season opened in early June with the first halibut landed in Quinhagak. All four halibut plants were operating during the 2nd Quarter. Reaching the goal of at least 200,000 pounds should be accomplished during the 3rd Quarter.

Operate using local work force only

Each halibut buying station is crewed by a locally recruited manager. CVS does not anticipate the need to use outside workers this year.

Have each plant operating by June 1

CVS opened the Tununak, Toksook Bay, Quinhagak, and Mekoryuk plants in June. Chefornak should open during the 3rd Quarter and the Kipnuk plant should open in 2001.

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

CVS will continue to improve its operations in halibut through the active involvement of the Plants Superintendent, Nick Chanar, of Toksook Bay. Nick traveled to each of the communities where halibut plants are located to make certain that preparations for the 2000 season were completed. No major problems were encountered during the first month of operations.

2000 Groundfish Vessel Investments

- CVL 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 fishing during the 1st Quarter with two new crewmembers from the CVRF region. These crewmembers have successfully completed their first six trips. Given that they are new crew members, CVL anticipates that there will be two region residents among the crew until one becomes a full crew member. It takes approximately one full season to move from a novice crew member to achieve a full crew share.

- 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

For the 2000 season, the AI Sablefish quota was increased by approximately 75%. In addition, CVL and the master of the vessel own quota shares for halibut and sablefish in the Gulf of Alaska, the Aleutian Islands and the Bering Sea. Based upon this significant increase in IFQs and CDQs for 2000, no further purchases of quota shares are anticipated for this season.

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

Over the past two years, Kokopelli Fisheries, the owner of the Ocean Harvester, has improved its financial picture. In 1999, gross stock was increased substantially over 1998. As a result, the vessel showed a cash profit so that no additional capital infusion was required for start up costs for the 2000 season. Kokopelli Fisheries' financial goal for 2000 is to show positive net income, including non-cash items. A small cash distribution was made to the partners at the beginning of the 3rd Quarter.

- A CVRF region crew member 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.

At the beginning of the 2000 season, the vessel took on two new crew members from the region. As a result, it is too early to determine if either individual will meet the requirements of this milestone. On the other hand, another region fisherman who is purchasing quota shares with the assistance of CVIF is interested in purchasing additional quota shares and increasing his participation in the fishery.

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

CVL receives weekly reports from the Ocean Harvester. In addition, CVL is provided quarterly financial reports by the company's accounting firm.

2000 Groundfish Vessel Investments

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

The Prowler group of vessels employed one region crew members during the 2nd Quarter. Recruitment will continue during the year as fishing opportunities become available on these vessels.

- Ocean Prowler and CVL 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

CVRF allocated the bulk of its Pacific cod allocation to the Ocean Prowler for the 2000 fishing season. Approximately 70% of the quota was harvested by the end of the 2nd Quarter, with the remainder to be harvested beginning in August.

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

CVL is confident that the vessel will not require additional capital infusions. Given the performance of the vessel during the 2nd Quarter, CVL believes that its pro forma financial projections are within reach.

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

CVL requests that certain information be provided on a weekly basis as well as receipt of financial statements on a quarterly basis. Additionally, CVL monitors CDQ harvests on a daily basis.

2000 Groundfish Vessel Investments

- American Seafoods will offer employment to in excess of one hundred people in all aspects of the American Seafoods business

American Seafoods has opened up processing and intern positions to CVRF region residents. CVRF and American Seafoods are committed to increasing the number of residents employed during the remainder of the year.

- CVPI 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

The first American Seafoods board meeting took place during the 2nd Quarter. Major discussions included the operations during the A/B seasons and the Frionor plant in New Bedford.

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

CVP anticipates that American Seafoods will surpass its forecasted earnings for the year and that there will be no need for further capital infusions.

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

CVP receives weekly reports during the height of the harvesting season and bi-weekly reports during the remainder of the year.

2000 Crab Vessel Investments

- Make final payment on the Silver Spray by April 1 using proceeds from Silver Spray operations and Icicle crab revenues

Final payment was made in December 1999.

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

Two processing positions were filled with CVRF region residents during the winter Pacific cod fishery. Two region residents also filled crew positions during the opilio crab fishery that began on April 1.

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

CVC receives reports from Silver Spray Seafoods on a weekly basis. It also receives financial reports on a monthly basis.

2000 Outreach

- CVRF will continue implementing its grass roots outreach plan. Performance measures include:

Below is a summary of the dates when communities were visited:

Village	Conference Date	Meeting Date
HPB School	Feb 18	Feb 29
HPB Village		Mar 1
Chefornak	Feb 24	Mar 3
Toksook Bay	Feb 15	Mar 6
Tununak	Feb 15	Mar 6
Tuntutuliak	Feb 23	Mar 13
Eek	Feb 22	Mar 14
Napaskiak		
Oscarville	Mar 27	April 17
Napakiak	Feb 25	Mar 2
Chevak	Feb 28	Mar 20
Scammon Bay	Mar 3	Mar 21
Newtok	Mar 8	Mar 27
Nightmute		Mar 17
Kwigillingok	Feb 28	Mar 30 & 31
Kongiganak	Mar 15	April 27
Kipnuk	Feb 25	Mar 13
Platinum	Mar 9	Mar 22
Goodnews Bay	Mar 7	Mar 16
Quinhagak	Mar 10	Mar 29
Mekoryuk		Mar 21

- Continue on-going media information programs (KYUK, Tundra Drums, KCUK, village cable)
 - Staff made radio announcements through KYUK of employment opportunities on May 15.
- Quarterly newsletter continues publication
 - No newsletter was prepared during the 2nd Quarter. Rather the 1999 Yearbook was produced, which is being distributed during July. The next newsletter will be produced during the 3rd Quarter.
- Display is designed and constructed for public forums (AFN, career fairs, FishExpo)
 - Display has not been used during this quarter.
- 3-4 Village Potlatches will be hosted
 - No activity during this quarter.
- Website of all CVRF affiliated organizations /CVSI/CVLI/CVCI will be designed and made accessible via the internet
 - This project is ongoing.
- Leadership Team meetings are held every 6-8 weeks
 - The last Leadership Team meeting was held on April 11th to discuss the development of the annual report design.
- 5-6 bi-monthly informational articles are submitted to the Tundra Drums for publication

The Delta Discovery printed an article on the first opening of CVS in Quinhagak.

- CVRF facilitated YK Delta Employers Council meets 4-5 times throughout the year

A staff member attended the Local Advisory Council for the State Workforce Investment Council on April 18th.

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

Community	Grades	Community	Grades
Hooper Bay	K-6 th grade, 1 ESIS, 1 PE	Toksook Bay	K-6 th grade, 1 ESIS
Mekoryuk	5-6 th grade	Newtok	K, 1 st , 4 th , 5 th , 1 ESIS
Chevak	1 PE	Napakiak	1 ESIS, 1 PE
Kipnuk	K-6 th grade, 1 ESIS, 1 PE	Scammon Bay	K-6 th grade, 1 ESIS, 1 PE
Goodnews Bay	3 rd , 5 th , 6 th grade	Chefornak	K-3 rd , 5 th grade
Kwigillingok	K-6 th grade, 1 ESIS, 1 PE	Quinhagak	3 rd , 5 th , grade
Tuntutuliak	5 th , 6 th , 1 ESIS		

- CVRF participates in the development of a regional training center with YKHC and AVCP

Staff met with State DOL Commission Flanagan, Bernice Joseph of DCED, and Mike Andrews with AHRIC to discuss employment and training needs in the region.

- Each CVRF intern designs and completes a village-based improvement project which supports or compliments a goal identified in CVRF's CDP

There is one CDP project proposal in the development stage concerning cultural awareness and work ethics training.

- CVRF works with industry HR Coalition to create interactive, computer based school to work curriculum

The SIHRD is in the development stage of the "fishnet", which will be an educational website of the seafood industry for Alaska youth.

- CVRF forms partnership with YKHC to expand number of village-based para-counselors to address chemical misuse and promote sobriety through education and awareness activities.

CVRF staff met with a staff member of the Ernie Turner Center to assist the staff to better understand the aspects of substance abuse, addiction, and recovery. The staff also participated in a teleconference with the Ernie Turner administrative staff in an effort to implement an alcohol awareness program to support the education and employment goals of CVRF.

2000 4-SITE Program

- Continue administration of the 4-SITE Program scholarship, internship, apprenticeship, and training programs. Performance measures are as follows:

CVRF Leadership Team completes fishing industry training need assessment process, designs new training plan using results

The Seafood Industry Human Resources Council continues to work on the "fishnet" to be used, as an educational tool for the fishing industry training needs assessment.

12-14 scholarships are awarded for academic or vocational training related to careers in the fishing industry

The scholarship committee met in June to review scholarship applications for the Fall 2000 semester. Nineteen awards were made for a total of \$31,053.

8-10 interns/ 7-8 apprentices are placed in CVRF affiliated CDQ business partners

There were 6 active interns during the 2nd Quarter.

1	Westward Seafoods	Accounting
1	American Seafoods	Human Resources
4	Icicle Seafoods	Administrative, Human Resources, Engineering, Personnel Assistant

- CVRF Leadership Team implements revised training plan based on needs assessment results

See above as to why this project was dropped.

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

No activity.

- Leadership Team collaborates with AVCP TERO office in administering a regional talent/skill database

This project was dropped in favor of collaborating on an apprenticeship certification program. The first draft of the proposed program is due out for review in April.

- Leadership Team collaborates with YKHC to design culturally relevant “alanon” program for family members of alcoholics and drug abusers.

The staff met on May 23rd with representatives of the ANARC to move forward in a collaborative training effort that will prepare people to facilitate village healing circles and AA meeting.

- Continue administration of the Employment Facilitation Program. Performance measures include the following:

3-5 new employers join CVRF’s employment facilitation network for CVRF residents’ training and job placement

2 replacement Employment Facilitation Coaches were hired in the 2nd Quarter.

Recruitment, selection, management, and training of following staff: 7 Management / Administrative; 10-14 4-SITE; 1 Tax and Permit; 2 offshore.

CVRF continues to maintain and develop its management staff.

- Recruitment and placement of following crew: 12 crab, 14 crab processing, 40 rock sole, 12 pacific cod, 6 sablefish/halibut, 115 Pollock, 50 halibut processing, 120 salmon processing, 14 value-added, 50 non-CDQ processing.

4 Hake, 10 herring, 2 cod, 36 halibut, 51 halibut/salmon.

- Conduct 4-6 Y-K Delta Employers’ Council meetings to create active network of job referral and placements.

Staff member participated in the April 18th Local Advisory Council for the State Workforce Investment Council.

- CVRF conducts substance abuse prevention training for all 4-SITE staff.

The CVRF 4-SITE staff met with Sandra Demmert, a counselor for the Ernie Turner Center, as an introductory comprehensive course to equip the team with a better understanding about the aspects of substance abuse, addiction, and recovery.

2000 Fisheries Retention

Through CVIF:

Determine the effectiveness of the AVCP Revolving Loan Program and make a decision on additional funding for commercial fishermen's loans.

The board has determined that it is necessary to start its own loan program given the problems that have arisen in the AVCP program. The new program is currently in the design stage.

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

CVIF approved a request from a fisherman to assist in the purchase of additional Quota Shares. Investigation into this possibility is underway.

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

The board has discussed the status of the current aluminum welding loans and has taken action to bring the loans current. One option being pursued is to identify other individuals and/or organizations interested in starting an aluminum welding business. The need for such a service has been identified in several communities.

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

Completed during the 1st Quarter.

Assist taxpayers who are in danger of losing their permits

Assistance is provided through the VITA program.

Obtain permits for fishermen from the CVRF region.

No activity during the 2nd Quarter.

2000 Coastal Villages Investment Fund and Coastal Villages Scholarship Fund

CVIF

- Obtain all landing tax credit funds available from the offshore harvesting companies

Completed during the 1st Quarter.

- Maintain current status on outstanding loans, assess accrued interest, and project interest to be earned

CVIF repossessed a halibut/sablefish IFQ loan and resold the Quota Shares. This loan is now current. All but one of the remaining loans are now current. CVIF is working to transfer aluminum welding equipment from the one delinquent buyer to a herring fishermen's association.

- Make community development loans and grants that support local fisheries business/infrastructure projects within scope of the CVIF budget.

During the 2nd Quarter, work was completed on an upgrade to the Mekoryuk halibut plant so that processing could take place indoors. The project was completed and the plant is now operating. A grant was made to Quinhagak to further expand the salmon plant and that project was underway during the quarter. Additionally, the grant for the Chefnak plant has resulted in construction of a halibut buying station within the existing freezer facility. Work on this project is on-going.

Planning has been completed on a small boat building project to be located in Scammon Bay. The planning documents are being submitted to the EDA during the 3rd Quarter. CVIF will provide matching funds for this project. Finally, funds were provided to the Corps of Engineers to support their regional economic study for the regional port facility. CVRF has requested federal funds for the next phase of the planning process.

CVSF

- Provide grants of up to \$85,000 to 501c3 eligible organizations for culturally relevant educational and/or technical skill building programs.

All funds have been expended and the account is closed.

2000 Passive Investments

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

Most surplus cash tendered during the 2nd Quarter were used to pay down debt. The amounts not utilized in this manner were added to the existing portfolio. All investments were made in compliance with the Investment 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%. Longer term instruments earned more than the money funds. Although there was a drastic downturn in the stock market, CVRF held through this period leaving the portfolio a chance to maintain a return of more than 8%.

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

See above.

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

Cash flow has become increasingly important in the financial management at CVRF because of the debt associated with the American Seafoods investment and for the operating line of credit to Coastal Villages Seafoods. One week before each debt payment, cash forecasts are updated to bring the forecast up to date to address any adjustments that may be necessary. The timing of inflows and outflows are seldom exactly as forecasted.

- Cash in balanced portfolio consistent with investment policy.

CVRF is in compliance with its Investment Policy.

2000 Administration

- Adopt an annual budget and submit to the State by December 15, 1999

The 2000 budget was submitted to State by the December 15 deadline.

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

A complete income and expenditure budget to actual occurs at the staff level, which is then presented to the board. As in the past several years, CVRF will closely watch its spending patterns and submit an amendment after the August board meeting.

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

Currently, there are 17 full time staff and 10 part-time positions with 3 active vacancies. Two new positions were requested during the 2nd Quarter, including an addition to the accounting staff and a second economic development specialist to be stationed at the Bethel office.

- Maintain office equipment and supplies in top condition

Supply inventory systems and equipment maintenance contracts have been implemented in the Anchorage CVRF office.

- 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, it 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 the salmon and halibut programs run through CVS and monitoring activities with its other partner companies.

- Complete evaluations of staff in a timely manner

A master calendar of all employee performance reviews has been developed and is monitored on a monthly basis.

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

The 2nd Quarter meeting of the board was held in June. Executive Committee meetings were held in April and May.

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

The 1999 financial audits were submitted in a timely manner.

- Prepare and submit application for the 2001 CDQ allocation process in a timely manner.

The process will continue through the 3rd Quarter. As described above, CVRF has undertaken a major grassroots program to provide programmatic information and solicit advice from its member communities.

2000 CDQ Contract Management

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

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

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

An amendment was submitted and approved that authorized the harvest of Atka mackerel and POP by Cascade Fisheries (*Seafisher*). Harvesting was completed during the 2nd Quarter. The harvest information will be reported by APICDA.

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

CVRF monitors the performance of its harvesting partners on a daily basis. During the 2nd Quarter there were no major issues concerning harvest of target species or bycatch.

- 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 during the 2nd Quarter.

- Negotiate contracts for the 2001 – allocation period.

Negotiations should begin during the 2nd Quarter.

2000 CVRF Development Project

- Complete analysis of capabilities of staff, board, resources in the region, and performance.

During the 2nd Quarter, a continuous process improvement (CPI) model was identified and is being implemented as part of an appreciative inquiry approach to the organization's capability analysis.

- X Complete a minimum of two board training sessions.

No activity during the quarter.

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

Staff made announcements over KYUK radio and prepared annual report for distribution during July.

- X Complete analysis of progress made towards implementation of management review.

CVRF has undergone major changes in its executive management since the preparation of the management review in 1998. Consequently, management is reviewing those that remain relevant and will continue to implement those as appropriate.

CDQ Quota Management

- Monitor pollock and multi-species allocations

Harvests are monitored on a daily basis. No problems arose during the 2nd Quarter.

- Prepare CDQ harvest activity and status reports

Harvest reports are prepared by SeaState and submitted to NMFS in a timely manner. Harvest status as of the 2nd Quarter is included in this report.

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

No problems have been brought to CVRF's attention during the 2nd Quarter.

B. Employment

1. Data Form

EMPLOYMENT FORM (including Halibut/Sablefish Program)

	QUARTER	YEAR-TO-DATE		YEAR TO DATE	
	Positions	Wages	Positions	Wages	People
MANAGEMENT/ADMINISTRATIVE	26 (CVRF)	\$266,345	26	\$463,435	26
CDQ POLLOCK RELATED					
A/B Season	5 (American)	\$15,011	38	\$132,270	38
	27 (Westward)	\$41,980			
HALIBUT/SABLEFISH RELATED					
OFFSHORE	2 (OH)	\$18,964	289	\$279,615	289
ONSHORE (fishermen)	287 (Salmon/Halibut)	\$260,651			
OTHER FISHING					
SALMON AND HALIBUT	3 (CVS MGT)	\$28,875	93	\$168,428	93
PROCESSING	82 (CVS)	\$47,815			89
CRAB AND COD	4 (Icicle)	\$17,139			
	3 (Silver Spray)	\$17,100			
	1 (Prowler Fisheries)	\$7,436			
FLATHEAD SOLE					
OTHER EMPLOYMENT/ CVRF	2 (contract)	\$29,458	4	\$80,116	4
INTERNSHIPS	1 (Westward)	\$4,574	7	\$69,844	7
	4 (Icicle)	\$7,308			
	2 (American)	\$9,176			
TOTAL		\$771,832	457	\$1,216,551	457

2. Summary

C. Training

1. Data Form

	QUARTER		YEAR-TO-DATE	
	People	Expenditures	People	Expenditures
SCHOLARSHIPS				
Postsecondary	17	\$27,378	17	\$27,378
Vocational	2	\$3,507	2	\$3,507
VOC-TECH CLASSES				
Basic				\$
Advanced				
OTHER TRAINING				
Fisheries related			1	\$2,000
Student Loans				
CDQ Staff/Board/Interns	5	\$3,940	8	\$6,862
Other – Leadership Team	19	\$3,507	19	\$10,357
OTHER EXPENDITURES				
To Educational Institutions		\$		\$
Educational Endowment Funds		\$		\$
TOTAL	43	\$38,332	47	\$46,749

2. Summary

3. Other Issues

III. Administration

1. Board Activities

The board met in June in Anchorage. The Executive Committee meets on a monthly basis in addition to the quarterly board meetings.

2. Decisions

The board accepted the Executive Summary to the 2001-2002 Multi-species CDQ application. The board approved an increase in stipend rates for board members.

3. Other Issues

IV. Harvesting Report

A. Species

1. Summary of harvesting activities by target fishery –

SPECIES: SABLEFISH (Fixed Gear)

	Metric tons allocated	Metric tons Harvested	% of allocation	% of target fishery
AI Sablefish Harvest	109.2	5.271	4.8%	
Turbot - AI		1.863		
BYCATCH				
Arrowtooth flounder		.328		
Shortraker/rougheye		0		
Other rockfish		.101		
Pacific cod		0		
Other species		.220		
TOTAL HARVEST		8.271		

Summary of Bycatch

No unusual bycatch to report.

B. Processing Report

SPECIES: AREA 4D Halibut

	Pounds allocated	Metric tons Harvested	% of allocation	% of target fishery
Area 4D Halibut	146,160	27.697	41.8%	
BYCATCH				
Arrowtooth flounder		1.530		

Turbot - BS		.690		
Other rockfish BS		.057		
Sablefish		.186		
Pacific cod		.261		
Other species		.765		
Other red rockfish - BS		.312		
Halibut mortality		.308		
TOTAL HARVEST		31.800		

Summary of Bycatch

No unusual bycatch to report.

B. Processing Report

SPECIES: AREA 4E Halibut

	Pounds allocated	Pounds Harvested	% of allocation	% of target fishery
Area 4E Halibut	273,000	57,723	21.1%	
TOTAL HARVEST				

Summary of Bycatch

B. Processing Report

SPECIES: PACIFIC COD

	Metric Tons Allocated	Metric Tons Harvested	Percent of allocated	% of Target Fishery
Total Harvest Pacific Cod	2100	891.694		42.4%
BYCATCH				
Turbot - AI		.018		
Turbot - BS		.680		

Other rockfish - AI		.101		
Other rockfish - BS		.016		
EAI Atka Mackerel		0		
WAI Atka Mackerel		.005		
Other red rockfish		.225		
Flathead sole		5.324		
Arrowtooth		5.646		
Other species		147.492		
Yellowfin Sole		.125		
Other flats		.224		
Rock sole		.267		
Sharp/Northern AI		.932		
Shortraker/rougheye		1.240		
PSQ total Bairdi				
PSQ Red King Crab				
PSQ Red King Crab – Zone 1				
PSQ Red King Crab – 10 min				
PSQ Other Tanner Crab				
Halibut mortality		3.7		
Total Harvest		1,057.689		
Percent of total Pacific Cod Fishery retained		84.3%		

Summary of Bycatch.

No unusual bycatch to report.

SPECIES: POLLOCK

	Metric Tons Allocated	Metric Tons Harvested	Percent of allocated	% of Target Fishery
Total Harvest Pollock	10,023.2	411.794		
BYCATCH				
EAI Atka Mackerel		0		
Other rockfish - BS		0		
Other red rockfish - BS		0		
True POP – B S		0		

Sablefish - BS		0		
Turbot – BS		0		
Pacific cod		.643		
Yellowfin sole		0		
Flathead sole		.045		
Arrowtooth		0		
Other species		.044		
Other flats		0		
Rock sole		.003		
PSQ total Bairdi		0		
PSQ Chinook		2		
PSQ Other salmon		3		
PSQ Red King Crab – 10 min				
PSQ Other Tanner Crab		2		
Halibut mortality		0		
Total Harvest		412.529		
Percent of total Pollock Fishery retained		99.8%		

2. Summary of Bycatch.

No significant bycatch during the 2nd Quarter wrap up fishery.

SPECIES: FLATHEAD SOLE

	Metric Tons Allocated	Metric Tons Harvested	Percent of allocated	% of Target Fishery
Total Harvest Flathead Sole	500	64.621	12.9%	
BYCATCH				
Turbot – BS		.137		
Pacific cod		28.531		
Yellowfin sole		48.854		
Arrowtooth		5.654		
Other species		22.350		
Other flats		20.392		
Rock sole		7.427		

PSQ total Bairdi		422		
PSQ Other Tanner Crab		1,019		
Halibut mortality		6.327		
Total Harvest		197.966		
Percent of total Flathead Fishery retained		32.6%		

2. Summary of Bycatch.

No significant bycatch during the 2nd Quarter wrap up fishery.

SPECIES: OPILIO TANNER CRAB

	Pounds Allocated	Pounds Harvested	Percent of allocated	% of Target Fishery
Total Harvest Opilio	428,129	428,085	99%	

2. Summary of Bycatch.

No bycatch issues associated with this fishery.

B. Processing Report

The major activity concerning the processing of CDQ species involves the operations of the Area 4E halibut plants in Quinhagak, Toksook Bay, Tununak, and Mekoryuk. The community facilities remove the halibut heads, complete the cleaning process, put them on ice, and then box and send via airfreight to Anchorage.

C. Compliance

No issues during 2nd Quarter.

D. Other Fishing Issues/Activities

No additional fishing issues to report.