

# STORYKNIFE

THE VOICE OF THE REGION

*Yaarnin*



11th Annual Golf Classic draws an audience.

Meet the 2011 Calista Interns *(Story and photos on Page 5)*

## VOTE FAVORS POST-ANCSA STOCK

There are many rewards that come with being a Calista Descendant such as scholarships and job recruitments. Descendants, however, do not necessarily share all of the same benefits as Shareholders. That could change in the future.

During the Annual Meeting in Akiachak last June, Shareholders voted in favor of an "Enrollment of Post-ANCSA Shareholders" advisory resolution. Although the vote was 82 percent in favor of the resolution, the end vote was only approximately 25 percent of all eligible votes. Based on that number, the Board will want to collect more information on how Calista's Shareholders really feel about the proposal.

The Post-ANCSA resolution is non-binding, which means the Board has been advised to consider it but is not required to implement Descendant enrollment. In addition to hearing what Shareholders have to say, Calista and the Board will look closely at other Alaska Native corporations that have enrolled Descendants and the methods they employed.

Currently, five regional corporations have adopted some type of an amendment to enroll Descendants: Ahtna, Arctic Slope Regional Corporation, NANA, Doyon and Sealaska; and five Native village corporations: Napakiak, Olgoonik, Quinhagak (Qanirtuuq), The Kuskokwim Corporation and Tyonek.

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CALISTA CORPORATION  
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**AUGUST 2011**



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## PRESIDENT'S MESSAGE

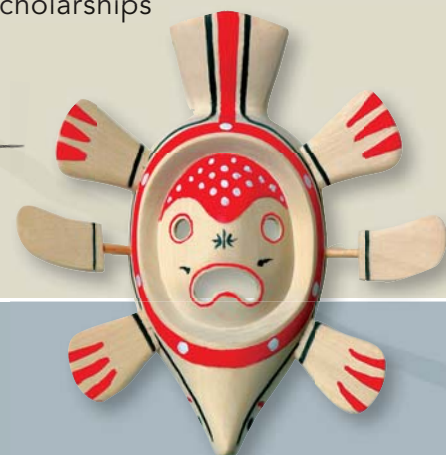
Andrew Guy, President and CEO

Over the past year Calista has undergone several big developments as a means of broadening our base and diversifying our revenues. Recent promotions within our subsidiaries demonstrate the high quality of people we hire and the strong leadership that helps build a stronger foundation for our corporation.

In June, Daniel Boone was named the new president/CEO of Alaska Telecom, Inc. He previously led the marketing and business accounts for ICG Communications, Inc. in Colorado, and served as the chief criminal investigator and manager for the Department of Revenue. In July, Monica James, the former senior vice president of Business Strategy of Yulista Holding was promoted to president of Yulista Holding and Yulista Management Services. Also, Daisy May Barrera was named Shareholder relations specialist for the Bethel office. And in August, Elaine "Chicky" Brown joined Nuvista Light and Electric as the new energy director and general manager. Monica, Daisy and Elaine are all Shareholders.

In June, we formed a new subsidiary, Calista Real Estate (CRE). The company was created to invest in residential properties throughout the Western U.S. that are in distress or foreclosure. CRE's newly appointed president, Dr. Gregory E. Strong, brings nearly 35 years of real estate development experience to the company. This subsidiary will help us achieve our long-term goal of expanding Calista's revenue base beyond 8(a) work and dive into private sector opportunities.

By continuing to better our businesses and expand our economical prospects, we strengthen our Region, our land, our culture and our people. Through strong business leadership, development and teamwork, the Calista Corporation can continue to serve its Shareholders through jobs, scholarships and dividends.



*Through strong business leadership, development and teamwork, the Calista Corporation can continue to serve its Shareholders through jobs, scholarships and dividends.*



## BOARD MESSAGE

Art Heckman, Board Chairman

On July 22, the Calista Board of Directors made the hard but necessary decision to close one of its subsidiaries for financial reasons. Alaska Newspapers Inc. has been owned by Calista Corporation for 19 years. It encompasses six weekly rural newspapers (Arctic Sounder, Tundra Drums, Bristol Bay Times, Cordova Times, Dutch Harbor Fisherman and Seward Phoenix Log), the quarterly magazine First Alaskans, as well as Camai Printing, a traditional printing house based in Anchorage.

Keeping Calista profitable and sustainable is both a Shareholder request and the Board's duty to Shareholders. For much of its history with Calista, especially during the past year, the ANI staff has worked hard to become efficient, cut costs and increase revenue. With factors such as the increasing costs of fuel, paper and print technology, however, the subsidiary was not financially performing for the benefit of Calista's Shareholders.

We are saying goodbye to a legacy and an important voice for rural Alaska. Calista is working with all potential buyers of its papers

to facilitate their transfer to new ownership so that the papers can continue to be operated as community papers and give a future voice to rural Alaska. It is more important than ever for Calista Corporation and other Alaska Native organizations to listen to their communities and share the stories of rural Alaska.

Calista is working with ANI employees to assist them with the transition and is offering preferential hiring for any job openings within the corporation they are qualified for. Additionally, Calista is offering unemployment assistance counseling, severance packages and referral letters.

All ANI publications will print their final run the week of August 15. As we enter the second half of 2011, the corporation is continuing to work in the best interest of our Shareholders.

*It is more important than ever for Calista Corporation and other Alaska Native organizations to listen to their communities and share the stories of rural Alaska.*

# VOTE FAVORS POST-ANCSA STOCK

(Continued from front cover)

“We will look at them to learn the positives and negatives of their approaches so the Board will have some solid information on which to base their decisions,” said Calista General Counsel Marcia Davis.

There are a number of ways to apply Descendant enrollment. Some corporations have opted to allow their post-ANCSA Descendants to own shares, but have limited their right to give them away, sell or bequeath them. Some have chosen not to allow new shares to participate in sharing 7(i) revenues. There are just as many ways to incorporate Descendant enrollment as there are reasons why some feel Descendants should not be automatic Shareholders. Calista will be spending the coming months hearing from Shareholders and getting information out to them about the many different options, so an informed and educated vote can take place when the Board is ready to put the amendment forward.

“We will use several mediums to get information out to the Shareholders on the various options,” said Davis.

“They will include mail outs, surveys, radio, newspapers, community meetings as well as utilizing modern social media like websites and Facebook to exchange information with our Shareholders.”

With Shareholder input and thorough research, the Calista Board of Directors hopes to put a concrete option before Shareholders for a vote at an annual meeting within the next two years. If getting Shareholder input is more complicated and takes longer than expected, the Board may need to present the proposal at a later time.

“We want to put forward the option that best serves the interests of Calista’s existing and future Shareholders,” said Davis. “We are lucky to have the history of Sealaska and several other regional corporations to inform and help us make the right choices.”

All of the issues surrounding Descendant enrollment cannot be addressed in a single article. Shareholders can expect to start receiving material on the subject in future newsletters, mailers and meetings. The Board of Directors will remain neutral on this advisory resolution in order to give Shareholders a fair opportunity to fully understand the potential pros and cons of Descendant enrollment.

<b>STEPS TOWARD THE VOTE</b>	<b>TODAY</b>	Calista will review other Native corporations’ post-ANCSA decisions	Board to obtain additional Shareholder input on the different options	Board develops preferred option	Obtain Shareholder input on preferred option	Finalize proposal for Shareholder vote and hold election	<b>FINAL DECISION</b>
		6-8 months	2-3 months	6-8 months	3-4 months	3 months	

## DEBATING THE VOTE

Calista is currently evaluating the merits of opening enrollment to Descendants. To date, five regional corporations have passed the ANCSA amendment and seven have not.

Sealaska Corp. is among those that have. Four years ago, after a thorough two-year campaign to educate Shareholders on the pros and cons of an amendment, the corporation’s Shareholders voted to adopt it.

“The arbitrary date – Dec. 18, 1971 – had nothing to do with our values, with the values of our generations,” said Sealaska’s Director of Corporate Communication Todd Antioquia. “It was not an equitable way to include our youth. We are now a greater representation of our Region and our Region’s needs.”

Not everyone agrees that enrolling Descendants is the best thing for their region. Some people feel it isn’t necessary to issue new shares of stock because gifts of stock and inheritance adequately take care of those born after 1971.

One of the primary concerns for some Shareholders is that change would dilute share value. Adding Descendants born after 1971 would double or triple the number of

total Shareholders. In order to provide shares to these new Shareholders, the company would create additional shares, meaning that individual shares would be worth less and would ultimately pay a smaller dividend.

Also of concern to Elder Shareholders is that opening enrollment would increase the vote of those who do not live within the Region and therefore they may have little interest or investment in the Region. Conversely, others feel strongly that the continued division between ANCSA Shareholders and “After-Borns” is disenfranchising the youth, which is in turn breaking down cultural ties to the land, the Region and the people.

Antioquia said Sealaska has seen more benefits from open enrollment than drawbacks.

“The vast majority of Shareholders embrace this,” he said. “Any of the cons that we were trying to help people understand have not been realized.”

Calista understands that this is a very complex matter, which we plan to discuss in much greater detail with Shareholders in the future. We will be utilizing the different media outlets and mediums to exchange information with our Shareholders who will have the opportunity to weigh in on the matter in future meetings.

# ANNUAL GOLF CLASSIC AT MOOSE RUN

Last June marked Calista's 11th annual Golf Classic Tournament to raise money for scholarships. All proceeds go to benefit the Calista Heritage Foundation's scholarship 501(c)(3) non-profit program. This year, 26 sponsors joined in to raise \$210,375 – a nearly \$20,000 increase from 2010.

## The winners of this year's tournament were:

### 1st place

Alaska Newspapers

### 2nd place

Wendy Chamberlain team 3A

### 3rd place

Bering Straits Native Corporation

### Lowest Gross

Udelhoven

## Thank you to our business and corporate sponsors:

Alaska Growth Capital  
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BP Exploration  
Bering Straits Native Corporation  
Brice, Inc.  
Carlile Transportation Services  
Chiulista Services, Inc.  
CIRI Charitable Gift Fund  
ConocoPhillips  
Delta Western  
Donlin Gold  
Doyon Limited  
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Xerox  
Yulista Holding Company  
Alaska Pension Services  
Think Office





# CALISTA'S 2011 INTERNS

Pictured left to right, top to bottom.

## INTERNS FROM AROUND THE STATE:

### ABIGAIL CHRIS

Abigail is currently majoring in exercise science at Colorado State University-Pueblo, and is interning at Calista's Communications Dept. She hopes to make a career in physical therapy.

### AMY BERLIN

Amy is majoring in civil engineering at the University of Alaska, Anchorage. She is interning in Calista's Lands and Natural Resources Dept. and working with the Heritage Foundation.

### ABIGAIL MOSES

Abigail is majoring in psychology at the University of Alaska, Fairbanks and is interning this summer at Brice, Inc.

### ALYSE LINCOLN

Alyse is majoring in nursing at the University of Alaska, Anchorage. She is interning at Chiulista Services, Inc.

### SAMANTHA JONES

Samantha is majoring in social work at the University of Alaska, Anchorage, and is interning this summer in Calista's Heritage Foundation.

### SHANNON ALEXIE

Shannon is currently enrolled at Kenai Peninsula College. She is doing a summer internship with First Alaskans at Calista in the Lands and Natural Resources Dept. before deciding a major.

### GWEN FRANCIS

Gwen is majoring in electrical engineering at the University of Alaska, Anchorage, and is spending her summer interning at Alaska Newspapers, Inc.

## YULISTA MANAGEMENT/YULISTA AVIATION, HUNTSVILLE, ALABAMA

Each of the interns is attached to one of Yulista's aviation programs, where they are exposed to engineering drawings, technical changes and how modifications are planned for an aircraft. During a typical day, they may be in technical meetings with a customer (usually U.S. Army personnel), working on acquisition of parts for an upgrade, or working in the engineering lab on a particular task.

### JARED BOERGER

Jared is majoring in petroleum engineering at the University of Alaska, Fairbanks.

### SYDNY SHERER

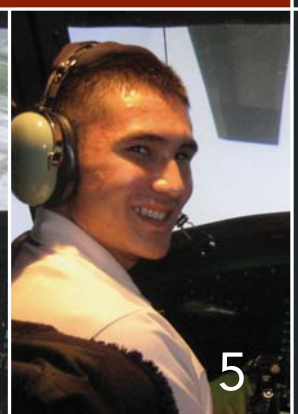
Sydney is currently majoring in civil engineering and minoring in Spanish at the University of Idaho, Moscow.

### ELI HOLT

Eli is a senior at University of Alaska, Fairbanks and is slated to graduate this December with a degree in mechanical engineering.

### CHRISTIAN OSENTOSKI

Christian is in his junior year at the University of Alaska, Anchorage and is majoring in mechanical engineering.



# A WARM SEND OFF TO YULISTA PRESIDENT

Calista would like to thank the president of Yulista Management Services Inc. and Yulista Holding, LLC, John Voth for his many years of devoted service. John leaves behind a legacy of commitment and excellence. It is his clear and concise thinking of the path forward and his attention to small details that sets Yulista a notch above its competition.

When he first came to Yulista 14 years ago, John brought extensive 8(a) program experience and with it proceeded to procure an impressive number of contracts for the

company. He acquired and oversaw numerous U.S. Army, Naval and Air Force contracts, notably: Precision Measurement Equipment Laboratories with the construction of 10 sites located around the world, Keesler Precision in Mississippi and the Metrology Service Contract located in Virginia. He also obtained an impressive contract with the Office of Foreign Missions with offices all over the country and started up Yulista Aviation for aircraft maintenance in Huntsville, AL and other U.S. and overseas locations.



Just nine days shy of reaching 14 years as president at YMS, John retired on July 8, with big plans of stretching his legs and getting back to the good life.

"In my retirement, I plan to spend a lot of time with my hands in the soil, returning to the pleasures of gardening that I've neglected for so many years while I devoted my time to the government contracting business," he says.

John is not looking to spend a lot of time being idle; he's got a long to-do list.

"We look forward to once again raising chickens, turkeys, and maybe a steer or two," he says. "Then, too, there's the library full of unread books that deserve my attention. I hope to be able to write more, and squeeze in some fishing from time to time. It seems there's so much to do and so little time. That's the problem with retirement: you never get a day off."

Calista wishes John the very best in his retirement. His work with Yulista has had significant impact and is greatly appreciated.

*The Calista Board of Directors appointed Monica James, a Shareholder, as the new president of Yulista Holding and YMS.*

## CSI AND TKC HELP OUT REGION'S FLOOD VICTIMS

In May, when the ice jammed on the Kuskokwim River, the village of Crooked Creek was inundated with water. Most of the village was flooded, leaving dozens of residents homeless. Chiulista Services, Inc., The Kuskokwim Corporation and Calista Corporation acted immediately; staff from all three companies put their heads together to create a relief plan to help the flood victims.

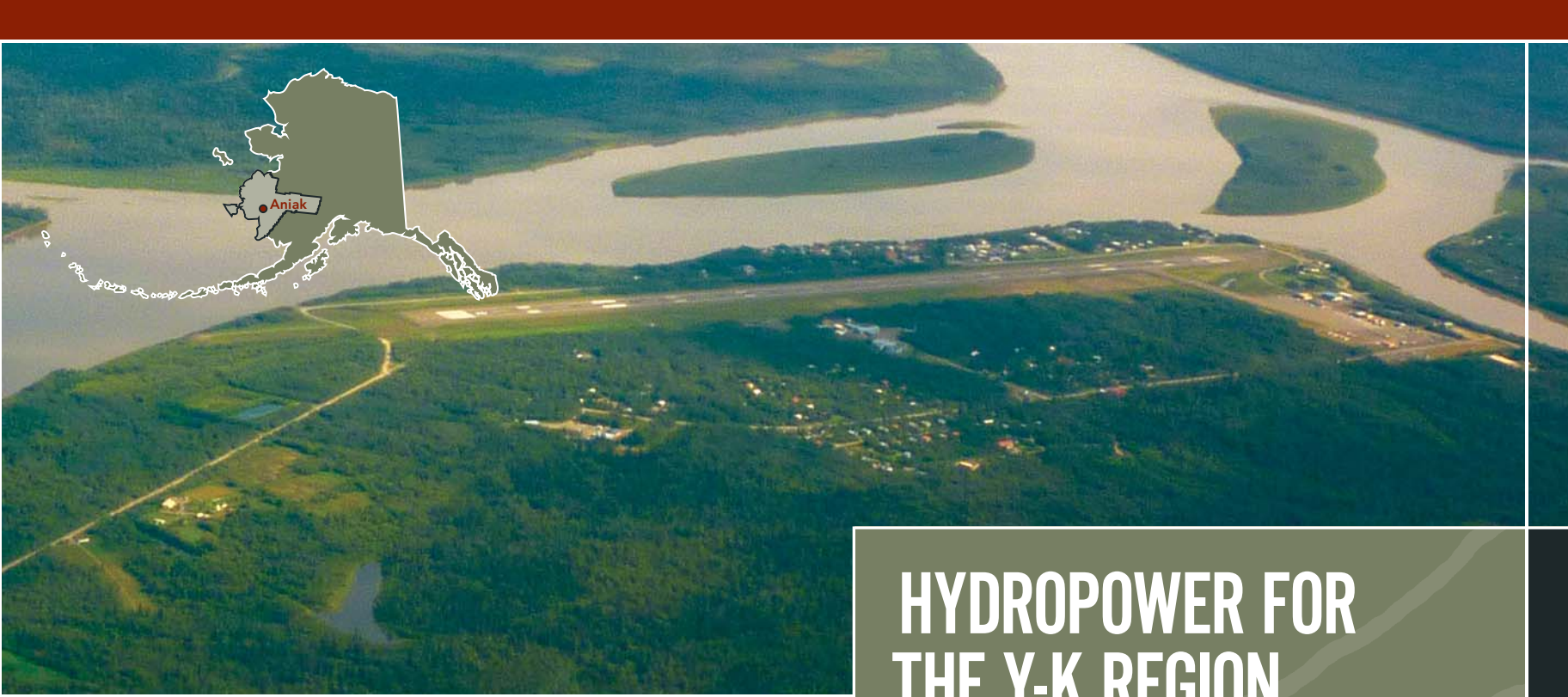
Working with the American Red Cross of Alaska, TKC and Calista chartered four flights with Sound Aviation to drop off food and supplies. Shortly thereafter, a request for a bid was sent out in mid-June from the Crooked Creek Traditional Council to various companies within the state of Alaska who provided catering services to remote villages. Chiulista, a wholly owned Calista subsidiary, was awarded the bid and started catering services for the 30-50 affected residents by early June. A weekly food supply continues to be sent out via local air carriers. CSI provides two cooks, who each work a rotation.



*Photo Courtesy of Donlin Gold*

Calista is very concerned about the ongoing health and well-being of the residents of Crooked Creek. After a request from the Traditional Council, Calista is donating tens of thousands of cubic yards of rock and gravel material from its Crooked Creek quarry. The purpose of this material is to raise the house pads of seven lots, which will allow the foundation of future homes on these lots to be rebuilt at a higher elevation.

*Calista and CSI are pleased to provide this much needed support to the residents of Crooked Creek.*



## VILLAGE PROFILE:

# ANIAK

**ANYARAQ – THE PLACE WHERE IT COMES OUT**

Surrounded by rolling hills and hedged with mountainous peaks of the not so distant Portage Mountain Ridge and Russian Mountain Range, Aniak is located on the south bank of the Kuskokwim River at the head of the Aniak Slough.

Aniak is a Yup'ik word meaning "the place where it comes out." The name, once applied to the entire surrounding area, was a reference to the mouth of the Aniak River flowing into the Kuskokwim. Because of its location, the village of Aniak played a key role in the placer gold rush of the early 1900s. However, since there was little infrastructure in the region and very few trading posts between Aniak and Nome, the gold stampede was short-lived and the village was abandoned.

In 1914, Tom L. Johnson homesteaded the abandoned site and opened a store and post office. Soon after, Willie Pete and Sam Simeon, Yup'ik Eskimos from Ohagamuit, brought their families, reestablishing the Native community. There are now 501 people residing in Aniak according to the 2010 U.S. Census (approximately 70 less than in 2000).

Aniak, incorporated in 1972, is considered an isolated town/ Sub-Regional Center. It is the largest city in the area and is the service hub for surrounding villages. The economy is supported by government, transportation and retail services, though the majority of the population (primarily Yup'ik Eskimo and Tanaina Athabascan) relies on home gardening and subsistence foods like salmon, moose, bear, birds and berries for their diet.

There is no road access to Aniak (though the community has requested one be constructed to the nearby village of Chuathbaluk), but during the summer it is accessible by boat via the Kuskokwim River and by floatplane on the Aniak Slough. Notably, Aniak has one of the best airport runways in rural Alaska. It was constructed during the Cold War Era in the 1950s to accommodate the erection of the White Alice radar-relay system, which closed in 1978.

## HYDROPOWER FOR THE Y-K REGION

High energy costs remain a priority issue for most Alaskans, particularly those living in rural areas like the Y-K Region. Hydropower, considered one of the cleanest and more efficient means of power generation, may be the answer to the Region's ongoing energy crisis.

Nuvista Light and Electric Cooperative, a non-profit established to develop power generation and transmission infrastructure in the Region, has proposed a hydropower project located at Chikuminuk Lake, 118 miles east of Bethel.

Public meetings held in Bethel last March attracted more than 125 people from all over the Region. Comments were overwhelmingly positive and in support of the Chikuminuk hydropower alternative. Many regional organizations and residents are unified in their desire to see the project move forward in an expedited manner.

The project is estimated to cost \$507 million, which includes the transmission line to Bethel. Alaska Energy Authority provided \$250,000 for the Phase I Reconnaissance and Feasibility Assessment. In addition, Calista and other contributors have provided \$650,000 to expedite and support the project, and the governor has approved \$10 million for the Preliminary Design phase.

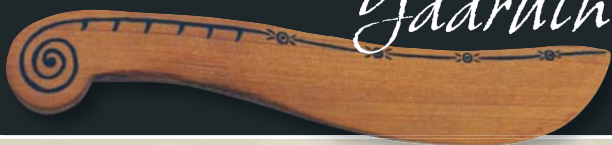
In an effort to expedite this massive project and develop a region-wide alternative energy plan, Calista partnered with Nuvista in locating and hiring an energy director and general manager. Elaine "Chicky" Brown, a Calista Shareholder, took over the position on Aug. 15 after 13 years with Northstar Gas LLC, most recently as president/CEO.

Based on current and past engineering reports, Chikuminuk hydropower could provide power for over half of the Region's population well past the year 2050.

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## TIPS FOR SMALL BUSINESS OWNERS

Every year, Calista receives dozens of calls from Shareholders seeking information regarding funding for their small businesses and startup companies.

We are pleased our Shareholders trust us as a viable source for such information. Calista does not manage business loans, but there are a number of reliable sources and resources out there:

- Every year AlaskaMarketplace, part of Alaska Federation of Natives, awards large grants to Alaska Native small businesses and startups. [alaskamarketplace.org](http://alaskamarketplace.org)
- Every couple of years the Bethel Cultural Center awards small business grants in the Best in the West Competition. [bethelculturalcenter.com](http://bethelculturalcenter.com)
- Alaska Small Business Development Center is the go-to place for small business owners. From workshops and coaching to counseling and free analysis, they're a great resource. [aksbdc.org](http://aksbdc.org)

## DRUG AND ALCOHOL TESTING, A REQUIREMENT TO WORK

Every day Calista's Human Resources Dept. (HR) receives requests from different departments, subsidiaries and business partners looking for employees. There is a constant rotation of available positions both internally and externally, and hiring Shareholders and Descendants is a big priority for Calista.

Unfortunately, there are two big issues hindering this goal – candidates in our Region are not passing either the drug and alcohol testing or criminal background checks.

Nearly all companies, contracts and the government, along with Calista and the Calista Board of Directors, REQUIRE drug and alcohol free employees. If a person is offered a position and they test positive for either drugs or alcohol, the job offer will be withdrawn and they are not eligible again for employment for the period of one year.

**If too many potential employees are withdrawn, the entire contract can be delayed or even cancelled, which prevents other qualified Shareholders and Descendants from employment.**

Calista policy also requires a background check on all potential hires. When

determining whether a candidate passes the background check, the HR Dept. looks at the conviction(s) and considers how long ago it occurred, the severity and number of offenses, and what position the applicant would be filling.

Calista HR will soon begin hosting job fairs in villages all over the Region. To expedite the hiring process, we will be offering pre-employment drug testing.

The job fair schedule will be posted on the Calista website, Facebook page and in upcoming issues of Storyknife.

We encourage everyone to attend our job fairs. There is a constant list of openings for a variety of jobs and we want all Shareholders and Descendants to have a chance to fill those positions.

**Every day Shareholders and Descendants ask us to bring employment opportunities to the Region; the Board and the Calista family of companies are working very hard doing all that we can to do so. In return our Shareholders and Descendants must work equally hard at creating a safe, drug and alcohol free workforce.**

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## PERSONAL DATA FORM

Shareholder Name \_\_\_\_\_

New Mailing Address \_\_\_\_\_

Phone (\_\_\_\_) \_\_\_\_ - \_\_\_\_ SSN \_\_\_\_\_

Birth Date \_\_\_\_/\_\_\_\_/\_\_\_\_

Would you like Calista to send you new will forms?  Yes  No

Calista Shares \_\_\_\_\_

Village Corporation Shares \_\_\_\_\_

Please change my address as I have indicated above. I understand that you cannot make address changes without my permission and signature, which I hereby give of my own free will and without constraint. I further authorize Calista and its subsidiaries to share this information.

Shareholder Signature \_\_\_\_\_

Date \_\_\_\_/\_\_\_\_/\_\_\_\_

Signature of Witness 1 \_\_\_\_\_

Signature of Witness 2 \_\_\_\_\_

(Two witnesses are required if Shareholder signs with an "X.")



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