

STORYKNIFE

THE VOICE OF THE REGION

Yaarnin



Shareholder Gathering held in Bethel

Region mushers race the Iditarod

(Story and photo on page 6)

LEADERS FROM THE REGION: BEVERLY HOFFMAN

2013 COMMUNITY SPIRIT AWARD WINNER

Influencing future generations of leaders is an important job for parents, teachers and community members. Role models teach Youth discipline, culture and help them form dreams and ambitions of their own. Shareholder Beverly Hoffman understands the importance of being a good role model. For the last 30 years, Beverly has been volunteering with Youth in the Bethel community.



Beverly has been involved with fundraising efforts, creating open gym times and sat as a member of the community council. One of her biggest efforts was raising money for a community pool.

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CALISTA CORPORATION
www.calistacorp.com

APRIL/MAY 2013



President's
Message



Shareholder
Celebrations



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Village Profile:
Quinhagak



How to
Gift Shares



BOARD MESSAGE

Willie Kasayulie, Board Chairman

Life requires us to be good at finding balance. We work to blend modern advances with our cultural roots. Before we begin major infrastructure projects in our Region, we examine how they will coexist with the environment, its resources and our culture. There's a potential project on the horizon that will benefit the Region in many ways. The Association of Village Council Presidents is investigating the possibility of building a freight corridor that would link the Yukon and Kuskokwim Rivers.

The Yukon to Kuskokwim Freight and Energy Corridor Assessment is in the very early stages of planning and requires your knowledge and input. This project would bring income to our Region, strengthen relationships between villages and could lower the cost of supplies. We need a new transportation link that will enhance fuel and freight transportation security long term while also allowing us to safely visit nearby villages. A road would open doors that were previously closed. The Region is working to improve many areas of life in Western Alaska, including health, education, housing, public safety, jobs and businesses, and energy. An improved freight corridor between the



rivers that improves access to interior Alaska could help improve and reinforce successes in these other areas.

The firm assisting AVCP with the project, CH2M Hill, is doing extensive studies in the project area, examining the plants, wildlife, water and the ways people use these and other resources. Calista Corporation, through its subsidiaries E3 Environmental and Solstice Advertising will both be a part of the project, helping to facilitate community involvement and share information about the project. In addition, Calista management will work with AVCP management to ensure people of the Region both understand the AVCP project and are fully engaged in the early discussions during this project planning phase.

Representatives from the project will be visiting villages this spring to hold listening sessions. I would encourage you to attend and voice your ideas, opinions and support.

As this project moves forward, we will give you information along every step and listen to you as we look ahead at the exciting prospects on our horizon.



PRESIDENT'S MESSAGE

Andrew Guy, President & CEO

Each year, during the legislative session, Calista works to secure funding for projects benefiting our Region's Shareholders and Descendants. These projects have the potential to provide infrastructure and employment for the Region.

As Shareholders and Descendants, we all have ties to the Region. Like me, many of us grew up in the Region. We have families in several communities. We know all too well that the cost of living – fuel, energy, transportation - overpowers family budgets. Additionally, businesses are burdened with these same costs.

Urban Alaskan communities have long benefited from government-funded infrastructure like large airports, road systems, and other utilities that contribute to lower costs of doing business. The residents and businesses there benefit greatly from those improvements. By working to request improved infrastructure for our Region, Calista is fulfilling one of ANCSA's duties: to improve the socio-economic conditions of our Region. Since there is no single solution or answer, Calista is working to improve conditions in our Region on many fronts.

For example, to fight high electricity costs for families and businesses we are urging support for projects that connect neighboring communities. One of AVEC's projects is to create an electrical power transmission intertie for Saint Mary's, Pilot Station and Mountain Village. This project will provide reliable, safe, constant power for the communities. It would position the communities for future infrastructure improvements, like wind turbines.

A similar concept is being pushed for the Region with the Nuvista Light & Electric Cooperative, Inc. Electric Intertie Feasibility Assessment. This project aims to assess the feasibility of connecting communities in the Calista Region with energy grids. If the funding is granted, an engineering firm will conduct studies throughout the Region to determine which communities can be connected, the costs involved and outline the permits needed to move forward.

Through our advocacy and close work with legislators, we have successfully generated millions of dollars in capital funding. We look forward to additional project funding from the state in an effort to improve the lives of our Shareholders and Descendants.

LEADERS FROM THE REGION

(Continued from page 1)

"That one thing I was never going to give up on until it happened," said Beverly. Capital funding for the Bethel pool project was approved by the legislature in 2012. Beverly believes the pool will provide the community with a fun place to recreate, as well as teach life-saving skills. "We live on the second largest river in Alaska. People don't know how to swim and are drowning. I think that is going to have a huge impact on the health of the community."

Beverly has long been a proponent of providing area Youth with constructive activities. Several years ago she facilitated open gym times and hopes to do so again in the future.

"In this world we live in of technology there are so many crazy things that people can get into, I just felt in our town we needed more healthy activities."

Beverly was recently recognized for her commitment to improving the lives of Alaska Natives at the Raven's Ball, an event that raises money for the Healthy Alaska Natives Foundation (HANF), the Alaska Native Tribal Health Consortium's charity. She was honored with the Community Spirit Award, an award that recognizes people who are dedicated to making a difference in their community.

"I was taken aback by it, just that I had even been nominated," Beverly said. "It was humbling."

Beverly received the award at the Raven's Ball on March 23 in Anchorage. To learn more about HANF visit www.inspiringgoodhealth.org

SEARCHING FOR SOLUTIONS NUVISTA HYDROELECTRIC PROJECT

Alaska requires its residents to be independent and resourceful. The rugged terrain and harsh weather demand innovation and toughness. Isolation forces us to work together to find solutions for the obstacles facing our state. The high cost of energy is a crisis for people living in rural areas. The rising electric, fuel and heating prices deeply impact everyday life in our Region. In the spirit of success that has kept Alaskans thriving for centuries, we are looking at new ways to lower energy costs for our Shareholders.

Nuvista Light & Electric Cooperative, Inc. hopes to harness the power of water to generate energy for thousands. The Chikuminuk Lake Hydroelectric Project has the potential to significantly lower energy bills for many people in two Regions. Nuvista is in the early stages of investigating the feasibility of the project.

"The bottom line is new energy solutions are needed for Western Alaska, solutions founded on thorough investigation," said Elaine Brown, Nuvista's CEO.

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NUVISTA LIGHT & ELECTRIC COOPERATIVE, INC.

Nuvista is a nonprofit cooperative guided by a 12-member Board of Directors made up of community and business leaders. To ensure the Region is properly represented, Nuvista's Board is comprised of several Regional organizations including the Alaska Village Council Presidents, AVCP Regional Housing Authority, Yukon Kuskokwim Health Corporation, AVEC, Calista Corporation and more.



Employee Feature ACCOUNTING DEPARTMENT

Calista Corporation employees are gifted with a wide variety of skills. Our diverse departments and subsidiaries allow us to employ a number of talented people. If you're excellent at problem-solving, can make it all add up and enjoy balancing budgets, you belong in Calista's Accounting Department.

"It's interesting, it's technical, there are a lot of job opportunities and demand for top-notch accountants," said Sharon Weddleton, Calista's chief financial officer. "It's a good choice to provide for your family."

Between corporate headquarters and the subsidiaries, there are more than 20 employees in the Accounting Department including Shareholders, Descendants and Alaska Natives. With the financial year ending in December, the first few months of a new year are the busiest time for the Accounting Department. The department is in charge of financial statements, Calista's taxes, paying vendors, and to the excitement of fellow employees, making sure everyone on staff gets paid.

"You can move from industry to industry, you can live anywhere in the world as an accountant or a bookkeeper."

Sharon says people might be surprised to know everything the department does including facilitating money to village corporations. When Calista receives 7(i) money from other regional corporations, the Accounting Department allocates the money to village corporations. "We also evaluate potential new acquisitions to see if we should buy the new business," Sharon said.

Sharon has advice for people looking to pursue a career in accounting. "Get a bachelor's degree in accounting, go to work for a public accounting firm to get diversified experience. After five years, go work for a village corporation or a Native corporation."



Sharon Weddleton
Chief Financial Officer

SPRING



Yup'ik Yuraryait Dance Festival March 1 – 3, 2013

Left to right: Sponsored by Calista, the festival took place in Chevak. Often members of the crowd were encouraged to participate from their seats. Dancers were as young as two-years-old. Fourteen dance groups from around the Region attended.



GATHERINGS



Calista Shareholder Gathering March 25, 2013

Left to right: President Andrew Guy attended the event in Bethel. The gathering was an opportunity for Shareholders to connect with each other and the corporation. Calista Shareholders and Descendants of all ages attended. Door prizes were awarded. Attendees also listened to a presentation honoring the late Chief Joe Lomack. Photos: Calista Corporation/John McDonald



CONGRATULATIONS CALISTA REGION MUSHERS

Continuing in the adventurous spirit of our ancestors, this year's Iditarod mushers battled Alaska's wild landscape all the way to Nome. You are leaders in the field and in the Region, Quyanana for your hard work.

2013 IDITAROD RESULTS



Pete Kaiser
Bethel
13th Place
4 Time Finisher



Mike Williams Jr.
Akiak
23rd Place
4 Time Finisher



Richie Diehl
Akiak
36th Place
Rookie



Mike Williams Sr.
Akiak
45th Place
15 Time Finisher

BOARD ACTIONS

In an effort to continue improving communications with Shareholders, the Board of Directors will begin publishing a recap of important actions taken at their meetings. Here are the important actions approved at the April 8 meeting:

- Approved a resolution to allow Calista management to pursue securing a new Anchorage office building to accommodate the rapidly growing business needs.
- To align Calista Board compensation with the average of other ANCSA Regional Corporations, Board approved increase of Board of Director compensation by \$500 per month, to \$22,500 per year for Directors and \$24,500 per year for the Chair.

Please look for a future article on an Anchorage corporate office move once a new location is secured.

TUNISTA CONSTRUCTION HIRES NEW GENERAL MANAGER



Tunista Construction, a subsidiary of Calista, recently hired a new general manager. Dan Esparza will head the SBA 8(a) certified company. Dan has several years of experience working with small businesses, as well as Alaska Native Corporations.

He grew up in a construction family on the West Coast and attended the University of California, Davis. Prior to joining the Tunista Construction team, Dan started his own SBA 8(a) certified company, ran a construction company for Doyon and started a construction company for Sealaska. Dan says he was excited to join the Calista family of companies because of the potential for growth and the quality of the company.

"I'm very impressed with the management team at Calista and the reception I've received to date. I am very excited about this team."

"I think for the long term, Calista has positioned itself well in the construction industry. There is tremendous opportunity for federal contracting," Dan said.

The diversity among Calista's subsidiaries gives the corporation an edge, according to Dan. Brice Marine's shipping capabilities make Calista competitive and positions the company for future success. "I can't say how happy I am to be with this organization and how excited I am about what we are going to do moving forward," Dan said.

Dan says his priority is to create a sustainable business for Calista and its Shareholders. A successful company will create job opportunities for Shareholders and Descendants, as well as generate income that will provide a return for Shareholders.

SAVE THE DATE

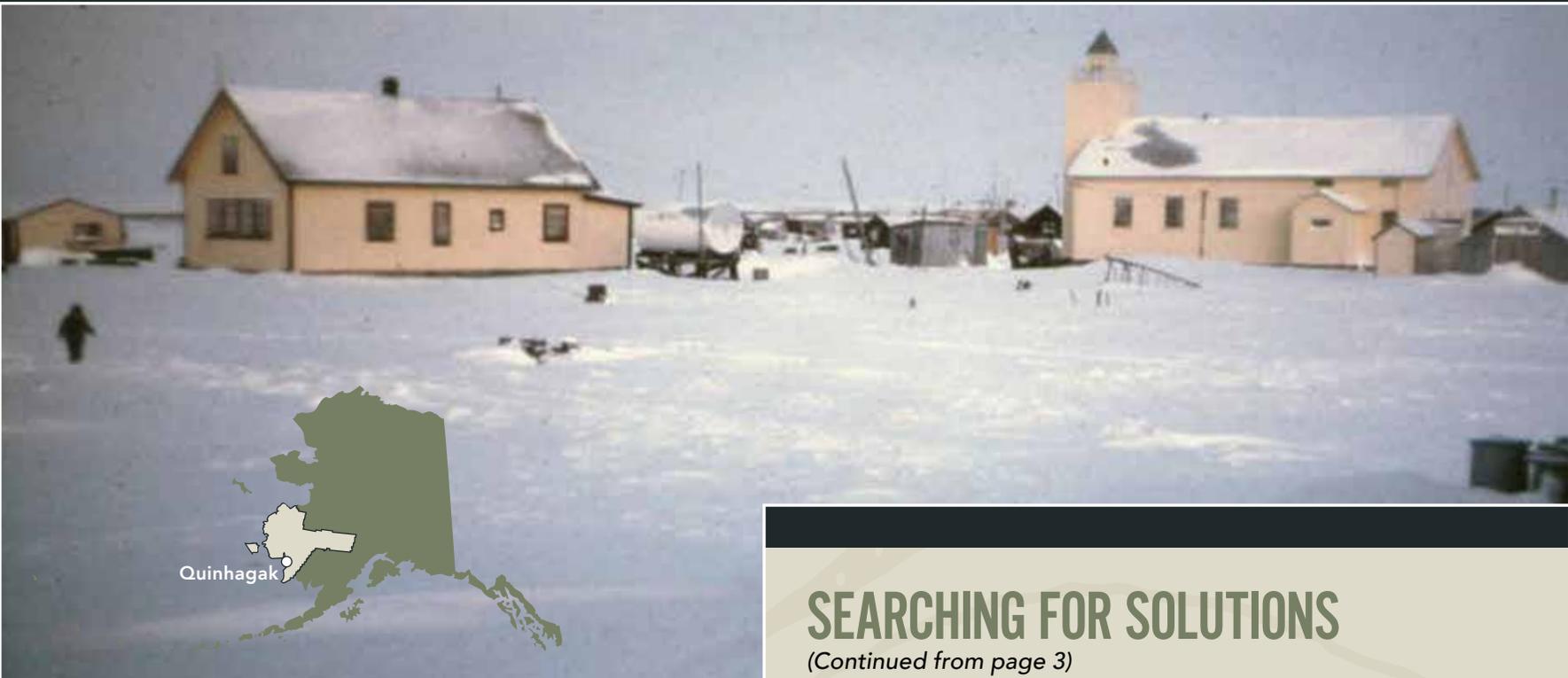
REGISTRATION OPENS FOR CALISTA GOLF CLASSIC

14th Annual Calista Heritage Foundation Golf Classic Tournament
June 19, 2013
Moose Run Golf Course

Don't delay - registration ends June 5, 2013.

www.calistaheritage.org





VILLAGE PROFILE: QUINHAGAK

“KUINERRAQ,” MEANING “NEW RIVER CHANNEL”

Quinhagak is one of the oldest villages in the Region with its roots dating back to 1,000 A.D. The location was officially marked in 1826 by the Russian explorer Gavril Sarychev. The village sits on the bank of the Kanektok River along the east shore of Kuskokwim Bay. Because of its convenient location, Quinhagak became an established shipping hub. Following the purchase of Alaska, Quinhagak began receiving regular shipments from the Alaska Commercial Company. Supplies were stored in a building along a waterway that quickly became known as Warehouse Creek.

The village expanded in the early 1900’s; a general store opened in 1904, followed by a post office in 1906 and the community’s first school in 1909. By 1915, the Kuskokwim River was well charted and goods began being directly barged up river to the Region’s hub of Bethel.

Since the village’s beginnings subsistence has long been an important practice in daily life and continues to be important today. In the early 1900’s a herd of about 2,000 reindeer were purchased and managed by the Kuskokwim Reindeer Company. The domesticated animals roamed the area until the early 1950’s when the herd scattered. Today, salmon and seal are the staples of many people’s diets. Fishing feeds families and provides income, 80 residents held commercial fishing permits in 2011, according to the Alaska Department of Commerce. Coastal Villages’ operates a seafood plant in the community, processing salmon, herring and halibut. Traditional skills also generate some income including trapping, skin sewing, ivory carving and basket weaving.

The 2011 census showed 675 living in Quinhagak, the majority of people are Yup’ik Eskimo. The Native Village of Quinhagak is the federally recognized tribe located in the community.

SEARCHING FOR SOLUTIONS

(Continued from page 3)

If found feasible, the proposed hydroelectric project would be located in Wood-Tikchik State Park. The state recognizes that hydroelectric power is compatible within the park, but before Nuvista can move forward a state statute must be amended. Senate Bill 32/House Bill 137 will allow Nuvista to move forward with studying the proposed project. Park regulations currently allow for hydroelectric at two lakes within the park, Elva and Grant.

“Early investigations of Chikuminuk suggest that it will offer more power than Grant and Elva combined, meeting or exceeding the current energy needs of Bethel and Dillingham. Hydro electricity is renewable, reliable, and cheaper over time and not subject to the volatility of diesel prices,” said Elaine.



The state has a history of recognizing the importance of major projects while understanding infrastructure and nature can coexist successfully. During the 1980’s, the Four-Dam project used state funds to develop four hydroelectric projects in Kodiak, Valdez/Glennallen, Ketchikan and Wrangell/Petersburg. Before moving forward with Chikuminuk Lake, Nuvista will spend several years conducting environmental studies. In addition, Nuvista would work alongside residents to determine the potential impacts and benefits of the project.

Nuvista understands the concerns of people in the Region, who rely on subsistence activities to sustain a healthy lifestyle. The remote location of the lake means there is very little recreation and subsistence activity, plus it does not support a salmon run.

This hydropower project has the potential to provide 20 to 30 communities within the Yukon Kuskokwim and Bristol Bay Regions with energy. Having this source of renewable energy would drastically cut the use of diesel, energy costs, providing a much-needed relief for families and businesses.

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Shareholder Records

IMPORTANT INFORMATION FOR SHAREHOLDERS INTERESTED IN GIFTING CORPORATION STOCK

Calista Corporation Shareholders have the option of gifting their corporation stock to their loved ones, with some restrictions. Shareholders are permitted to gift ANCSA stock only to their eligible Descendants, which include children, grandchildren, great-grandchildren, nephews, nieces, brothers and sisters.

All relatives that receive gifted corporation stock must be at least one-fourth Alaska Native by blood quantum. If you choose to gift your shares to your siblings, there are age restrictions placed on the recipient of the stock. Brothers and sisters who will receive shares through your gift have to be at least 18 years of age if they are single, or at least 16 years of age if they are married. Recipients of ANCSA stock who inherit stock through wills are not required to be Alaska Native to receive their stock.

Rose Kairaiuak, manager of Shareholder Records, says there are some misconceptions about ANCSA stock.

"Some people think that you need to be a Shareholder to receive benefits like jobs, scholarships or internships at Calista," Rose said. "But in reality, if you are a Descendant of a Shareholder, you qualify for these benefits. That is not the case in all Native Corporations."

If you are interested in gifting ANCSA stock, please contact the Shareholder Records Department. The Department will provide you with all the necessary paperwork. Both the gifting Shareholder and the Shareholder or Descendant who will receive the stock are required to complete application forms. Shareholder Records will then verify that the intended recipients qualify and the application will be processed.

For more information visit www.calistacorp.com

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PERSONAL DATA FORM - APRIL/MAY 2013

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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