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1 EXXON VALDEZ OIL SPILL

2 TRUSTEE COUNCIL

3 Public Meeting (Teleconference)

4 Thursday and Friday, July 24 & 25, 2003

5 441 West 5th Avenue, Suite 500

6 Anchorage, Alaska

7 TRUSTEE COUNCIL MEMBERS PRESENT:

8 STATE OF ALASKA - DEPARTMENT MR. KEVIN DUFFY

9 OF FISH AND GAME: (Chairman) Commissioner

10 U.S. DEPARTMENT OF COMMERCE, MR. JAMES W. BALSIGER

11 National Marine Fisheries Svc: Administrator, AK Region 12 STATE OF ALASKA -MR.  
GREGG RENKES

13 DEPARTMENT OF LAW: Attorney General

14 State of Alaska

15 U.S. DEPARTMENT OF AGRICULTURE, MR. JOE  
MEADE

16 U.S. FOREST SERVICE Forest Supervisor

17 Forest Service AK Region

18 U.S. DEPARTMENT OF INTERIOR: MS. DRUE PEARCE

19 (Telephonically) Senior Advisor to the

20 Secretary for Alaskan

21 Affairs,

22 U.S. Department of Interior

23 STATE OF ALASKA - DEPARTMENT MS. ERNESTA  
BALLARD

24 OF ENVIRONMENTAL CONSERVATION: Commissioner

25 Computer Matrix Court Reporters, LLC, 3522 West 27th,

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1 TRUSTEE COUNCIL STAFF PRESENT:  
2 DR. PHIL MUNDY Science Director  
3 MS. CHERRI WOMAC Administrative Assistant  
4 MS. DEDE BOHN U.S. Geological Service  
5 MR. KEN HOLBROOK U.S Forest Service  
6 MR. CRAIG TILLERY State of  
Alaska, Department  
7 of Law  
8 MR. DOUG MUTTER  
Department of Interior

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PROCEEDINGS

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(On record - 9:03 a.m.)

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CHAIRMAN DUFFY: Good morning, everyone.

5

I'd like to call the Exxon Oil Spill Trustee to meeting,

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9:00 a.m., July 24th, 2003. With that I would like Council

7

members to introduce themselves.

8

My name is Kevin Duffy, I'm Commissioner

9

Alaska Department of Fish and Game. And I'll start out to

10

my left and we'll work across the table.

11

MR. RENKES: Gregg Renkes, Attorney

12

General.

13

MR. BALSIGER: Jim Balsiger, National

14

Marine Fisheries Service, part of NOAA, part of the

15

Department of Commerce.

16

MS. BALLARD: Ernesta Ballard, DEC

17

Commissioner with the State.

18

MR. MEADE: Joe Meade, Forest Supervisor

19

for the Chugach National Forest.

20

CHAIRMAN DUFFY: Thank you. And I'd like

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the Trustee Council staff to introduce themselves, if they 22 will, also.

23

MS. WOMAC: Cherri Womac.

24

DR. MUNDY: Phil Mundy, I'm Science

25

Director.

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1           CHAIRMAN DUFFY: Thank you, Phil. I think  
2           the first action item for the Trustee Council would be to  
3           approve the agenda for today and I'd entertain a motion to  
4           that effect.

5           MS. BALLARD: I move we approve the agenda.

6           MR. BALSIGER: Second.

7           CHAIRMAN DUFFY: It's been moved and  
8           seconded to approve the agenda for today's Trustee Council  
9           meeting. Any comments?

10          (No audible response)

11          CHAIRMAN DUFFY: Absent comments, is there  
12          any opposition to approval of the agenda?

13          (No audible response)

14          CHAIRMAN DUFFY: Hearing none, the agenda  
15          is so approved.

16          The next action item is approval of the  
17          meeting notes from the April 23rd, 2003 meeting in Juneau, 18 Alaska.

19          MS. BALLARD: And, again, I have reviewed  
20          these and I'll move their approval.

21          MR. BALSIGER: Second.

22          CHAIRMAN DUFFY: Motion to approve the  
23          minutes of April 23rd, moved by Ernesta Ballard, seconded 24 by Dr.  
24          Balsiger. Any further comment, Council members?

25          (No audible response)

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1           CHAIRMAN DUFFY: Any opposition to approval  
2 of the April 23 minutes?

3           (No audible response)

4           CHAIRMAN DUFFY: Hearing none, the minutes  
5 are hereby approved.

6           The next item on the agenda is public  
7 comment. Is there a sign-up sheet here, Cherri?

8           MS. WOMAC: There is, but nobody wanted to  
9 make comment.

10          CHAIRMAN DUFFY: So we do not have anyone  
11 signed up for public comment, nor do we have anyone on line 12 that has  
expressed an interest in public comment. Given  
13 those two facts, public comment period is initiated and  
14 concluded in a rather short time frame.

15          The next item on the agenda is  
16 consideration of an executive session. I would entertain a 17 motion to  
that effect.

18          MR. BALSIGER: Mr. Chairman, I would move  
19 that we go into executive session for the purpose of  
20 considering personnel matters.

21          MS. BALLARD: Second.

22          CHAIRMAN DUFFY: It's been moved and  
23 seconded that we go into executive session for  
24 consideration of personnel matters in front of the Exxon  
25 Valdez Oil Spill Trustee Council. Is there opposition or

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1 comment from Council members?

2 (No audible response)

3 CHAIRMAN DUFFY: Hearing none, so moved.

4 The Council has now moved into executive session.

5 (Off record - 9:06 a.m.)

6 (On record - 10:20 a.m.)

7 CHAIRMAN DUFFY: All right, we are now out  
8 of executive session. I'd like to go back to something we  
9 did this morning. It was an oversight on my part and that  
10 was we need consent of all the Trustees for approval of the 11  
11 agenda. All of the Trustees present at the time approved 12 the  
12 agenda, we did not have the benefit of Drue being on  
13 the line, so I would entertain a motion, stepping back, for 14  
14 approval of the agenda for today's meeting.

15 MS. PEARCE: So moved, Mr. Chair.

16 MS. BALLARD: Second.

17 CHAIRMAN DUFFY: Assuming that the one that  
18 was not in attendance made the motion, we have consensus on 19  
19 the agenda. We then moved into an executive session. We 20 are now  
20 back out of executive session, on the public  
21 record. The discussion, we had a very frank, open, honest 22 and  
22 direct discussion in executive session about the  
23 executive director position. This is not the first time  
24 that this Trustee Council has discussed this issue. We did 25  
25 formal notice in newspapers in Alaska and, I believe,

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1 Outside of the recruitment process for an executive  
2 director for the Exxon Valdez Oil Spill Trustee Council.

3 As a result of that recruitment notice we  
4 received approximately 50 applications that each of the  
5 Trustee Council members reviewed. We, through an exchange  
6 of e-mails, and then further dialogue, we narrowed the  
7 field of applicants down to four individuals that we  
8 proceeded to interview as a team last week here in  
9 Anchorage. We were very lucky that not only were the four  
10 candidates that we interviewed well qualified, that I  
11 believe a significant number of the applicants out of the 12 general  
12 pool of 50 that applied, from out of state and in  
13 state, were also very well qualified. Nevertheless, we had 14 to  
15 narrow the range of folks to interview. As I said, we 15 proceeded  
16 with those interviews. We have now had an  
17 internal executive session to discuss those four applicants 17 and,  
18 based on those discussions and the previous public  
19 process of the recruitment and narrowing and interviewing 19  
20 process, as Chairman, I would entertain a motion from  
21 Trustee Council members on this issue.

21 MS. BALLARD: Mr. Chairman, I move that you 22 and  
23 Jim Balsiger, as the committee which led us through  
24 this process, be empowered to enter into negotiations with 24 Gail  
25 Phillips to serve as our next executive director and 25 report back to us  
so that we can confirm by consensus the

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1 outcome.

2 CHAIRMAN DUFFY: Do we have a second?

3 MR. RENKES: Second.

4 CHAIRMAN DUFFY: It's been moved and  
5 seconded that the State and Federal co-chairs, Dr. Jim  
6 Balsiger and Kevin Duffy, move forward to negotiate the  
7 executive director position with Ms. Gail Phillips. Is  
8 there any further discussion of that issue? Dr. Balsiger.

9 MR. BALSIGER: I would just clarify that  
10 the reference to you and I as chair and co-chair is  
11 relative to the recruitment group, we're not chair and co- 12 chair of the  
Trustee Council or anything.

13 CHAIRMAN DUFFY: Thank you, that's an  
14 excellent clarification for the record. We are the chair 15 and co-chair  
of the recruitment process that the Trustee 16 Council undertook. Any  
additional comments?

17 (No audible response)

18 CHAIRMAN DUFFY: On this issue I believe we  
19 should -- we are moving for a consensus decision. Is there 20 opposition  
to the motion in front of the Trustee Council? 21 (No audible  
response)

22 CHAIRMAN DUFFY: Hearing no opposition, we  
23 have consensus that we will proceed to negotiate with  
24 Ms. Gail Phillips as the new executive director for the 25 Trustee  
Council.

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1           MR. RENKES: Mr. Chair, should we set a  
2 time for when you and Mr. Balsiger were to report back to  
3 the Trustees?

4           CHAIRMAN DUFFY: Yes, that's good advice.  
5 I would suggest, at this point, that following any  
6 additional business we recess this meeting, that would give  
7 Dr. Balsiger and I an opportunity to conduct that  
8 negotiation and to get back in a teleconference as soon as  
9 possible with the Trustee Council to confirm, hopefully in  
10 a positive fashion, that we have a recruit that has  
11 accepted the position. So that would be my intent.

12           I think having addressed that issue we can  
13 talk about when a teleconference will happen right before 14 we recess.  
There's a couple other issues that, I believe, 15 for administrative purposes  
and for the efficiency of the 16 Trustee Council we should take on today and  
that is trying 17 to identify two meeting dates. One being a meeting date in  
18 late August so as to review and approve the administrative 19 budget for  
the Trustee Council for the fiscal year, would 20 be one issue.

21           MS. WOMAC: There are actually four  
22 budgets.

23           CHAIRMAN DUFFY: Four budgets. The  
24 learning curve is steep, but I'm a quick learner. Four  
25 budgets that we would approve for the Trustee Council.

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1           The second issue is, I believe, we have  
2 talked generally and we talked about it at the April  
3 Trustee Council meeting about the need for a meeting  
4 sometime in late October.....

5           MS. WOMAC: Early October.

6           CHAIRMAN DUFFY: Early October, excuse me.  
7 Early October for purposes of reviewing and selecting  
8 projects as a result of the RFP process. At that point in  
9 time, I believe, we would have recommendations from the  
10 Science Committee and Science Advisor relative to  
11 particular projects as a result of the RFP. It would also 12 be my  
understanding that we would have specific  
13 recommendations from the new Executive Director on a suite 14 of  
proposals for consideration for funding.

15           So we have two meeting dates we need to  
16 establish. My guess would be for the August meeting on the 17 four  
budgets to approve, we could probably accomplish that 18 in one day, unless  
I hear different from staff with all the 19 experience. Okay, nodding. And  
then I believe we should 20 schedule the second meeting in early October  
for two days, 21 see how efficient we are at getting business done in  
22 selecting projects. If it ends up being one day that would 23 be great for  
all of the Trustee Council members, but we  
24 should probably set aside two days to make sure that we  
25 have a thorough review. And I would look to the wisdom of

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1 continuing Trustees, Dr. Balsiger, would you suggest two  
2 days for that effort?

3 MR. BALSIGER: Two days for the October  
4 meeting?

5 CHAIRMAN DUFFY: Yes.

6 MR. BALSIGER: The North Pacific Management  
7 Council starts the week of the 6th. I'd suggest the 6th  
8 and 7th unless you think you'd have to be tied up with  
9 other parts of the Council meeting on that Monday and  
10 Tuesday.

11 CHAIRMAN DUFFY: That will work for me. I  
12 will make this a priority and we'll have staff cover the 13 Council.

14 MS. BALLARD: Jim, in your experience, will  
15 we need two full days? Or maybe Phil would have a feeling 16 about  
that.

17 MS. PEARCE: I'm having trouble hearing  
18 you.

19 CHAIRMAN DUFFY: Drue, this is Kevin Duffy,  
20 for the early October meeting for the purposes of reviewing 21 project  
proposals as a result of the RFP, the discussion is 22 does that usually take  
one or two days. I was assuming it 23 might take two. I'm going to go to  
Dr. Phil Mundy for his 24 learned advice. Phil, could you help us out on  
that as  
25 staff to the Council?

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1 DR. MUNDY: Mr. Chairman, for the record,  
2 I'm Phil Mundy, Science Director. Normally it takes one  
3 day because we expect to have a detailed set of  
4 recommendations with some detailed scientific reviews out  
5 to staff probably by the 15th of August. We are short of  
6 staff here at the Trustee Council, so that's why I'm  
7 hedging a little bit on the date, but we will have those  
8 out to you a substantial amount of time in advance of the  
9 Trustee Council meeting so that you'll have time to  
10 consider those and also send questions back through staff  
11 to us, you know, for further review. So I would expect -- 12 in the past,  
even with more proposals than we have now to 13 consider, normally we  
can do this in one full day.

14 CHAIRMAN DUFFY: Thank you, Dr. Mundy.  
15 Mr. Mead.

16 MR. MEADE: If we're looking at dates for  
17 October, the 6th and 7th would not be dates that are  
18 flexible for me, the end of that week could be. If  
19 that.....

20 MS. PEARCE: I can't do it the end of the  
21 week.

22 CHAIRMAN DUFFY: Mr. Mead, on that  
23 particular issue, Jim Balsiger and I both are members of  
24 the North Pacific Fisheries Management Council, that starts 25 formally  
on Wednesday, October 8th and once we're into a

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1 Council meeting it is impossible, literally, for us to do  
2 that, so perhaps we need to look at another date.

3 MR. BALSIGER: Mr. Chairman, the North  
4 Pacific Research Board, I believe, meets on October 1 and 2  
5 that would leave Friday the 3rd as a possibility for me.

6 MR. MEADE: That wouldn't work for me  
7 either, that period of time through the 7th I won't be in  
8 state. Now, if it's appropriate I can have an acting  
9 available to be at that session through Ken Holbrook, but I  
10 personally wouldn't be able to attend from the end of  
11 September through October 7th.

12 CHAIRMAN DUFFY: Okay. I'd like you to  
13 give that a little thought while I make a suggestion.

14 MR. RENKES: October 3rd would be fine for  
15 me.

16 CHAIRMAN DUFFY: Mr. Renkes says October  
17 3rd is fine for him, that is a Friday.

18 MS. BALLARD: It's okay for me, too. Drue,  
19 was there a time you were going to be here anyhow?

20 MS. PEARCE: No, but I can make October 3rd  
21 work.

22 MS. BALLARD: And we could have a  
23 representative from Forest Service.

24 MR. MEADE: Yeah, and I'm comfortable with  
25 that if it's appropriate.

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1 MS. PEARCE: Now, does this mean we're not  
2 doing a September meeting?

3 MS. BALLARD: No, I don't think it does,  
4 Drue, I think we're just trying to get this October one  
5 pinned down and then we'll come back to the August meeting.

6 MS. PEARCE: Okay.

7 CHAIRMAN DUFFY: Yes, we jumped forward to  
8 the second meeting in early October, which is fine, as long  
9 as we make some decisions, then we'll step back to the  
10 August meeting for budget purposes. Dr. Balsiger.

11 MR. BALSIGER: Mr. Chairman, I wonder if we  
12 could ascertain in official votes, such as we'll be taking, 13 whether or not  
-- who is allowed to have substitutes and  
14 what has to be done in order to make that work. And to be 15 explicit,  
what do we have to do to make sure that Holbrook 16 can vote for Mr.  
Mead?

17 CHAIRMAN DUFFY: I would request advice  
18 from legal counsel.

19 MR. HOLBROOK: We have an alternate who  
20 would attend, I would not be the alternate.

21 MR. MEADE: Maria would be the alternate?

22 MR. HOLBROOK: Yes.

23 MR. MEADE: Okay, so we have an alternate  
24 established. Very good.

25 CHAIRMAN DUFFY: Yeah, what we're seeking

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1 for, on the record, is having alternates sit in for Trustee  
2 Council members. I think it's just a clarification.

3 MR. TILLERY: This is Craig Tillery. To  
4 have an alternate sit in, basically you need to just send a  
5 letter to the Executive Director stating that someone will  
6 act as your alternate at meetings and has the authority to  
7 vote for you.

8 CHAIRMAN DUFFY: Okay, thank you. Thank  
9 you for that clarification.

10 MR. MEADE: And I can't speak for my  
11 alternate's calendar for that date, but I can pursue  
12 availability.

13 CHAIRMAN DUFFY: Okay. Thank you, Joe.

14 MS. BALLARD: Do we need a motion or should  
15 we just agree to hold the 3rd?

16 CHAIRMAN DUFFY: The Chair would entertain  
17 a motion and a second, I think let's just formalize it for 18 purposes of  
19 public notice.

20 MS. BALLARD: I propose we schedule the  
21 meeting for the 3rd. And I hope we can hear from Maria as 21 quickly  
22 as possible. If there can't be a U.S.F.S.  
23 alternate then let's move it because we can't do business. 23

24 MS. PEARCE: I can answer that. If you're  
25 asking on the Federal side, there can be an alternate. Cam 25 has.....

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1 MS. BALLARD: No, we understand that, we  
2 just want to be sure Maria is free that day.

3 MS. PEARCE: Oh, okay, I understand.  
4 Sorry.

5 CHAIRMAN DUFFY: Is there a second to the  
6 motion for Friday, October 3rd?

7 MR. BALSIGER: I'll second.

8 CHAIRMAN DUFFY: Moved and seconded. Any  
9 discussion on the meeting in October for purposes of  
10 reviewing project proposals and coming to the decisions on 11 which  
11 projects to fund?

12 (No audible response)

13 CHAIRMAN DUFFY: Hearing no objection, so  
14 moved.

15 The second and related issue is a meeting  
16 date sometime, I believe, in late August for purpose of  
17 reviewing four specific budgets relative to the  
18 administrative operations of the Exxon Valdez Oil Spill  
19 Trustee Council.

20 MS. PEARCE: This is Drue. The last week  
21 in August, both Cam and I are consumed with having CEQ  
22 Chairman Jim Connison and some White House staff in Alaska, 23 we're  
24 both going to be with them so there's no day that we 24 -- the following  
25 week I could either have Cam there or I  
26 could be there by phone, the week of Labor Day. The week

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1 after Labor Day I should say.

2 MS. BALLARD: What week is that?

3 CHAIRMAN DUFFY: I was looking over to  
4 staff to see if that was striking fear in their hearts  
5 relative to any budgeting exercises. I'm not seeing that  
6 fear, so we do have a bit of a flexibility. The discussion  
7 was late in August, Drue has pointed out the last week is  
8 not something that can be worked out between her and her  
9 alternate, so we're looking at, I believe, following Labor  
10 Day, the next week or the 3rd week of August it would be. 11

MS. PEARCE: If I could just say, I would  
12 like it not to be Tuesday, September 2nd, that's my  
13 daughter's first day of school and I want to be able to  
14 take her and pick her up.

15 CHAIRMAN DUFFY: Fair enough, we understand  
16 those obligations.

17 MR. BALSIGER: Mr. Chairman, I can't meet  
18 the third week of August, so I propose either the 3rd or  
19 the 4th of September.

20 CHAIRMAN DUFFY: Two options put on the  
21 table by Dr. Balsiger, September 3rd or 4th. Either I will 22 make work  
for me as Chair.

23 MS. PEARCE: I can make either work.

24 MS. BALLARD: I'm okay on either.

25 MR. MEADE: Let's do it on the 3rd.

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1 MR. RENKES: I'm available as well.

2 CHAIRMAN DUFFY: What day of the week?

3 MS. BALLARD: Can you make it on the 3rd,  
4 Drue?

5 MS. PEARCE: Yes, I can, it's just the 2nd  
6 I can't do.

7 MS. BALLARD: Can you get from there to  
8 here on the 3rd?

9 MS. PEARCE: I'm probably not going to come  
10 to -- I'm definitely not coming back to Alaska, but I'll do 11 it by phone.

12 MS. BALLARD: Okay. All right. Well, then  
13 let's go with the 3rd.

14 MS. PEARCE: If you all can do it morning,  
15 so I can do it afternoon, that's preferable. If you need 16 to do it  
16 afternoon, I can do it in the evening.

17 CHAIRMAN DUFFY: Okay. The motion is for  
18 Wednesday, September 3rd, I believe that would be here in 19 these  
19 offices. Is there a second to that motion?

20 MS. PEARCE: I'll second.

21 CHAIRMAN DUFFY: Seconded by Drue Pearce.  
22 Any objection?

23 (No audible response)

24 CHAIRMAN DUFFY: Hearing or seeing none, so  
25 moved. The meeting for purpose of approving four budgets

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1 associated with administration of the Exxon Valdez Oil  
2 Spill Trustee Council will occur on Wednesday, September  
3 3rd, 2003.

4 Is there other business before the Council  
5 at this point? Cherri.

6 MS. WOMAC: Did you guys only approve the  
7 agenda or did you go ahead and reapprove the meeting notes  
8 prior to the executive session? You need to do that with  
9 all six of you.

10 MS. BALLARD: I move approval of the  
11 minutes or the meeting notes.

12 MR. BALSIGER: I second.

13 CHAIRMAN DUFFY: It's been moved and  
14 seconded to approve the meeting notes from the April 23  
15 Trustee Council meeting in Juneau. Is there opposition or 16 further  
discussion?

17 (No audible response)

18 CHAIRMAN DUFFY: Hearing none, so moved.  
19 Mr. Mead.

20 MR. MEADE: While we have a collection of  
21 us here, anticipating the task ahead of the two of you for 22 contacting  
the individual that's to be offered the  
23 position, should we set a date for a conference call?  
24 Perhaps either Friday or Monday midday if we have a window 25 where  
we all can validate our availability in case we're

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1 able to do so at that time, rather than try to do it once  
2 we all break.

3 MS. PEARCE: You talking about tomorrow  
4 Friday or next Friday?

5 MR. MEADE: Tomorrow Friday or Monday, I  
6 anticipate it shouldn't take too long for them to -- those  
7 are arbitrary figures, but.....

8 CHAIRMAN DUFFY: Joe, speaking as the  
9 Chair, I think that's a good idea. Assuming we can make  
10 our contacts with all of the candidates and the one who we 11 have  
12 selected to negotiate with, I think it's a good idea 12 to confirm that  
13 decision and reach consensus as a final  
14 decision amongst Council members in a teleconference that 14 could  
15 either occur sometime tomorrow afternoon and/or  
16 sometime Monday.

16 MR. BALSIGER: Mr. Chairman.

17 CHAIRMAN DUFFY: Dr. Balsiger.

18 MR. BALSIGER: This will be one of those  
19 meetings where we're required to have six people, I guess,  
20 and I won't be available next Monday, Tuesday or Wednesday. 21  
22 Tomorrow would be good if we can make all those contacts.

22 CHAIRMAN DUFFY: Tomorrow would be good for  
23 my schedule, if I could, I'm in Anchorage at some other  
24 meetings.

25 MR. RENKES: I'm in an airplane most of the

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1 day tomorrow.

2 MS. BALLARD: We only need a half hour  
3 where you need to get somewhere.

4 MR. RENKES: Yeah. What time do I get in?  
5 Late afternoon I could be on the phone.

6 MS. PEARCE: Late afternoon Anchorage time?

7 MR. RENKES: Yeah, late afternoon Anchorage  
8 time.

9 MS. PEARCE: I can do that from my home in  
10 the midst of feeding some people dinner, but I don't mind 11 doing that,  
because I assume it will be short.

12 MS. BALLARD: How about 4:00 o'clock?

13 MS. PEARCE: 4:00 o'clock your time?

14 MS. BALLARD: Yeah, 8:00 o'clock your time.

15 MR. MEADE: That's dessert.

16 MS. PEARCE: (Laughter) Are you going to  
17 set up -- what will we do, set a bridge?

18 MS. BALLARD: Cherri will take care of the  
19 details.

20 MS. PEARCE: Okay. Cherri, let us know a  
21 bridge number and I will dutifully call in at 8:00 o'clock 22 tomorrow  
evening. Now, can we -- I believe if, for some  
23 reasons, you're not able to conclude negotiations someone  
24 will call us and tell us?

25 CHAIRMAN DUFFY: My operating assumption is

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1 it may take us the rest of the day interspersed with other  
2 business to contact the person that we're going to make the  
3 offer to and as well as those that we have interviewed, so  
4 we'll touch base on that particular issue tomorrow  
5 afternoon at 4:00 o'clock, one way or the other, Drue.

6 MS. PEARCE: Okay, perfect.

7 CHAIRMAN DUFFY: Okay. If there's no  
8 further business for the Trustee Council at this point, I  
9 would entertain a motion to recess until tomorrow at 4:00  
10 p.m.

11 MR. BALSIGER: Mr. Chairman, I move we  
12 adjourn.

13 MS. OBERMEYER: I wanted to say hello, sir.  
14 Would you forgive me? Theresa Obermeyer. I'm not sure if 15 we met,  
16 Mr. Duffy. Have you been doing great things for  
17 Alaskans? That's the only question. Would you allow me? 17 I did have  
18 something and I apologize, I'm late and  
19 disorganized. Would you allow me to say a word, sir?

20 CHAIRMAN DUFFY: Yes.

21 MS. OBERMEYER: Thank you so kindly.

22 CHAIRMAN DUFFY: Feel free to come forward  
23 and I believe public testimony is limited to three minutes, 23 feel free.

24 MS. OBERMEYER: Oh, sure. I always have  
25 something to pass along. And it's very nice to be

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1 involved, except I don't know what to say anymore. I live  
2 in Nazi Germany, Gregg. Mr. A.G. What a joke. I mean,  
3 I'm sorry. I, ladies and gentlemen, am an American and you  
4 see -- if you forgive me, Mr. Duffy, I'm very well known,  
5 don't ever think I've had fun. I have no idea -- Gregg is  
6 arraigning me tomorrow, ha, ha, go right ahead, Gregg, I  
7 don't care anymore. Do whatever you please. I have lived  
8 a life and I am a 57-year-old college administrator with a  
9 Ph.D. I have sued the University of Alaska, the judges  
10 stole that one, too. But that was many years ago. I did  
11 not bring that with me. You see it's all very substantive. 12  
13 And my husband is over there studying for  
14 his 28th Alaska Bar exam in the only state in the United  
15 States of America that does not have a law school. I don't 16 know if you  
ever thought of these things, Mr. Duffy, but  
17 you probably are Irish. You see, sir, I'm Irish myself and 18 no matter  
what's going on I crack a joke. And here's my  
19 great joke, so I think it's so fun. My summary joke is 20 they're so dumb  
they released me. I've only been jailed  
21 five times, but the irony, and just to laugh with you, is I 22 taught at a jail  
for almost six years. I was a school  
23 teacher at McLaughlin. And, of course, I've been on the  
24 Anchorage School Board.  
25 So nice to see you, Ms. Ballard, I've seen

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1 your picture in the paper. And, of course, I knew you were  
2 at the Chugiak/Eagle River Chamber yesterday. I wanted to  
3 come to that. You know, what I can mention, ladies and  
4 gentlemen -- and I want to make sure I say this, this is  
5 not a nice place to raise children. And I'd like to  
6 explain. I have four of them and, of course, our eldest  
7 son just got home on Sunday. I don't know whether you were  
8 living here at the time, Mr. Duffy, when Bob Cristal and  
9 these -- they call themselves lawyers.

10 MS. WOMAC: Theresa, one minute.

11 MS. OBERMEYER: Madam, would you please not  
12 interrupt? Would you let the Chair tell us when I am going 13 to  
conclude.

14 CHAIRMAN DUFFY: Excuse me.

15 MS. OBERMEYER: I really do tire.

16 Mr. Duffy is in charge, you are not, ma'am.

17 CHAIRMAN DUFFY: Excuse me, Ms. Obermeyer.

18 Sorry for that, she was just advising me as Chair and I

19 think she caught you.....

20 MS. OBERMEYER: But, sir.....

21 CHAIRMAN DUFFY: Go ahead and you got.....

22 MS. OBERMEYER: I want to mention,

23 Mr. Duffy, just to let you know what.....

24 CHAIRMAN DUFFY: Ms. Obermeyer, you have

25 one more minute, please summarize.

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1 MS. OBERMEYER: It's about lawyers and it's  
2 about a bar association, they don't even get a quorum  
3 anymore, they've killed everyone off. They -- when they  
4 recently had a swearing-in of the young lawyers that were  
5 licensed by the straight-A essay test, 12 people were  
6 licensed. You see now you would be stupid, after what my  
7 husband has gone through, to really sit for this essay  
8 test. Most people are licensed in the Lower 48 and then  
9 get reciprocity, but even that is an explanation. Where we  
10 live -- and just to give you a summary, and I didn't mean 11 to keep you.  
We live in a place that has about 2,200  
12 attorneys and of that number 500 of them work for Gregg. 13 One  
fourth, almost one fourth of the attorneys. And would 14 you ask Gregg for  
how much they make, I assume -- and I  
15 know they make about a hundred thousand. They get trips 16  
anywhere they want to go, they do high level coffee  
17 drinking.

18 And then, sir, just to let you know.....

19 CHAIRMAN DUFFY: Ms. Obermeyer, would you  
20 please summarize, your time has expired. Please summarize. 21

MS. OBERMEYER: Yes, I'm trying to explain  
22 what a prac -- there is no practice of law in Alaska.  
23 There's another 500 over the 2,200 that are active out of 24 state, we have  
given our state away to the most powerful  
25 law firms in the United States.

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1                   And the last point, Mr. Duffy, is 2,200 and  
2                   we have more oil development than the state of Texas and  
3                   they have 64,000 attorneys. Now, does anyone have a brain?  
4                   Unh-unh, everybody goes along with the employees, there's  
5                   no leadership where I live.

6                   CHAIRMAN DUFFY: Okay. All right. Thank  
7                   you for your.....

8                   MS. OBERMEYER: Did you have a question,  
9                   sir?

10                  CHAIRMAN DUFFY: No, I do not have any  
11                  questions.

12                  MS. OBERMEYER: I'm not sure we met.

13                  CHAIRMAN DUFFY: We haven't had the  
14                  opportunity.

15                  MS. OBERMEYER: And so have you been from  
16                  Alaska? I don't know.

17                  CHAIRMAN DUFFY: Perhaps we can have a  
18                  discussion off to the side.....

19                  MS. OBERMEYER: Let's do that.

20                  CHAIRMAN DUFFY:                         .....it's not appropriate  
21                  for me to talk about my history at this point.

22                  MS. OBERMEYER: And Erin-go-braugh.

23                  CHAIRMAN DUFFY: Thank you very much.

24                  MS. OBERMEYER: Thank you so kindly for  
25                  hearing me.

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1 CHAIRMAN DUFFY: Thank you.

2 MS. BALLARD: I move we adjourn.

3 CHAIRMAN DUFFY: Is there a second to  
4 recess?

5 MS. BALLARD: Or to recess, excuse me  
6 Mr. Chairman. I move we recess.

7 CHAIRMAN DUFFY: To recess until tomorrow's  
8 teleconference?

9 MR. MEADE: I second that.

10 CHAIRMAN DUFFY: Any further comment?

11 (No audible response)

12 CHAIRMAN DUFFY: Hearing none, the Trustee  
13 Council is recessed until the 4:00 p.m. teleconference  
14 tomorrow afternoon. Thank you.

15 (Off record - 10:45 a.m.)

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1 JULY 25, 2003 - TELECONFERENCE

2 (On record - 4:10 p.m.)

3 CHAIRMAN DUFFY: This is Kevin Duffy in  
4 Anchorage, we moved and approved to recess so I probably  
5 need a motion to reconvene and a second and then we can  
6 give you a little update on things.

7 MS. BALLARD: This is Ernesta, I move we  
8 reconvene.

9 MS. PEARCE: This is Drue Pearce, I second.

10 CHAIRMAN DUFFY: Thank you. This is Kevin  
11 Duffy. Is there any further comments, any disagreement?

12 (No audible response)

13 CHAIRMAN DUFFY: Hearing none, so moved.  
14 The Trustee Council meeting is back in session. I will  
15 start and, Dr. Balsiger, feel free to chime in. I'll give 16 you a little  
summary of the discussions that followed our 17 meeting yesterday.

18 Dr. Balsiger and I had lunch with Gail  
19 Phillips and were able to reach agreement on the terms and 20  
conditions of her employment. We agreed to pay her at a 21 salary range  
of 28K on the State system. She also is  
22 planning on coming to work on next Friday, August 1st, so 23 for the  
State payroll system that all works out fine.

24 There was a negotiation on the salary  
25 level, she had expectations somewhat different than what we

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1 settled on. I described to her the range in the  
2 advertisement said 78 to about 108,000. We settled on a  
3 level that is exactly \$101,592 per year, that's a 28K on  
4 the exempt scale.

5 So, Jim, do you want to add anything to  
6 that meeting? And then I'll talk about what I did as a  
7 follow-up with the other interviewees.

8 MR. BALSIGER: It was a very positive  
9 meeting, I thought, she expressed her pleasure at being  
10 offered the job and, as Kevin said, she had expected a  
11 slightly different benefit package, but I think at the end 12 no one was  
dissatisfied, so I was pleased.

13 CHAIRMAN DUFFY: Yes, okay. And then  
14 following that, I came back to the Trustee Council office 15 and I  
followed up with phone calls to Brett Huber, Jennifer 16 Kohout and also  
Henry Springer, notifying them of our  
17 decision and thanking them for their interviews. They were 18 all very  
gracious, in particular Henry was very positive  
19 about the selection of Gail. So I talked a little more at 20 length with  
Brett about those issues and we bifurcated into 21 some Cook Inlet  
allocations issues and we didn't talk much 22 longer over those.

23 So I informed Cherri Womac before I left  
24 the office that that was the agreement we struck, so I  
25 think we're in a position -- there may be some questions,

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1 but I think we're in a position now where we would just do  
2 a motion to approve the hire and, hopefully, that would be  
3 the concluding of our business today. But I'll open it up  
4 for anyone who wants to ask any questions or comment.

5 MR. RENKES: This is Gregg, thank you for  
6 doing that, it sounds like a good result.

7 CHAIRMAN DUFFY: You're welcome. One other  
8 thing we should think about before we leave and that is  
9 should we send a letter out to those that applied notifying  
10 them of our selection and thanking them for applying for  
11 the position? That was one lingering question I had.

12 MR. MEADE: This would be Joe, I think that  
13 would be an excellent approach.

14 MS. PEARCE: This is Drue, I think we  
15 should, too. I also wanted to -- knowing that Sandra  
16 Schubert left and Molly left (indiscernible - airplane) 17 just a couple of  
18 days in the office doing what Cherri and  
19 others there can't, but just to kind of help her transition 19 in. Or should  
20 we each perhaps, should we maybe ask Gail to 20 spend some time by phone  
21 or in person with each of us  
22 talking to us about what we know about the EVOS Trustee  
23 Council, which for a lot of us isn't much yet, but kind of 23 our vision.

24 CHAIRMAN DUFFY: In responding to that,  
25 Drue, Jim and I talked about that a bit and we thought

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1 about Jim being there with her. Gail is actually going to  
2 go over sometimes early next week and just walk around and  
3 introduce herself to folks. Jim and I did at lunch have an  
4 opportunity to talk about a whole host of issues, but a  
5 couple that I thought were pretty germane to kind of get  
6 her going, and that would be, you know, we have a meeting  
7 scheduled September 3rd, you know, to go over four budgets  
8 associated with administration of the Trustee Council, I  
9 thought that would be a good early focus. And then right  
10 on the heels of that, if not before, she will be looking at 11 all of the  
12 proposals that have come in as a result of the RFP process, she will be  
13 reviewing the recommendations from the scientists on those proposals  
14 and then she will be  
15 formulating her recommendations for the Trustee Council leading to  
16 our meeting on October 3rd.

16 MS. PEARCE: Okay.

17 CHAIRMAN DUFFY: I think that, you know,  
18 given the people that I know there at the Trustee Council, 19 I think they  
20 will welcome her with open arms and Phil and  
21 Cherri and whoever else will -- I think it will probably be 21 a pretty  
22 smooth transition.

22 MS. PEARCE: Okay, excellent.

23 MR. BALSIGER: This is Jim Balsiger. I  
24 did, as Kevin said, volunteer to -- since she's starting 25 the 1st I,  
26 coincidentally, will be at the end of a

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1 vacation, annual leave, on that day in Anchorage and I  
2 volunteered to go with her, but she -- as Kevin says, she  
3 expects to spend time with them, looking at space and one  
4 thing and another, prior to that, so probably most of the  
5 awkwardness will have worn off. Nonetheless, I gave her my  
6 contact phone number, so if she still wants me to be there  
7 on Friday, the 1st, I can do that.

8 MS. PEARCE: Okay, excellent. Thank you.

9 CHAIRMAN DUFFY: Yeah, and I also talked to  
10 her about she was talking to the news today and I talked to 11 her about  
that and offered if she wanted to talk to me  
12 about anything as she made this transition to feel free to 13 call me. I  
think she'll be fine.

14 MS. PEARCE: Okay.

15 MS. BALLARD: Kevin, I'm ready to make a  
16 motion that we ratify, or whatever action we need to take, 17 the  
agreement that you and Jim reached with Gail. What  
18 action do we actually take? This is Ernesta for the court 19 reporter.

20 CHAIRMAN DUFFY: This is Kevin. Ernesta, I  
21 think what would suffice would be a motion to approve the 22 hiring of  
Gail Phillips as Executive Director under the  
23 terms and conditions negotiated on July 24th, 2003.

24 MS. BALLARD: Then I make that motion.

25 MR. RENKES: This is Gregg. I second.

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1           CHAIRMAN DUFFY: There is a motion to  
2   approve the hiring of Gail Phillips as Executive Director  
3   under the terms and conditions negotiated July 24th, 2003.  
4   It's been moved and seconded. Is there further discussion?

5           (No audible response)

6           MS. PEARCE: And I think because we're on  
7   teleconference, I know under the State Rules and Open  
8   Meeting Act, we need to have an actual yes to make an  
9   affirmative vote, since we're not there to raise hands. So  
10 you could just call the roll.

11          CHAIRMAN DUFFY: Okay. I will call the  
12 roll. Joe Mead.

13          MR. MEADE: Yes.

14          CHAIRMAN DUFFY: Drue Pearce.

15          MS. PEARCE: Yes.

16          CHAIRMAN DUFFY: Dr. Jim Balsiger.

17          MR. BALSIGER: Yes.

18          CHAIRMAN DUFFY: Attorney General Gregg  
19 Renkes.

20          MR. RENKES: Yes.

21          CHAIRMAN DUFFY: Commissioner Ernesta  
22 Ballard.

23          MS. BALLARD: Yes.

24          CHAIRMAN DUFFY: And Commissioner Kevin  
25 Duffy in the affirmative. That would be a consensus

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1 unanimous vote to approve the hiring.

2 Is there other business before the Council  
3 at this point in time.

4 MS. BALLARD: Kevin, this is Ernesta. Very  
5 briefly, the meeting on the 3rd, will that meeting be in  
6 Anchorage or in Juneau?

7 CHAIRMAN DUFFY: Ernesta, it was my  
8 impression, following the discussion, that we were going to  
9 convene at the Trustee Council offices for purposes of that  
10 meeting on the 3rd.

11 MS. BALLARD: Okay. No problem, I just  
12 didn't know we had covered that.

13 CHAIRMAN DUFFY: Right. And then, Cherri,  
14 I assume that you would send out to all of us an agenda and 15 the  
starting time and that kind of -- and any paperwork  
16 associated with what we need to act on at the meeting?

17 MS. WOMAC: I will. We usually send out a  
18 binder about a week before so you have time to review it 19 prior to the  
meeting. And for you guys that are going to 20 be traveling in that first  
week before the meeting, if  
21 you'll let me know your location so I can make sure that I 22 can get the  
information to you there.

23 CHAIRMAN DUFFY: Okay.

24 MS. WOMAC: It would be helpful. And I did  
25 want to mention that Gail contacted me and we e-mailed back

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1 and forth about her coming to the office at the beginning  
2 of the week to see her space and then she is going to have  
3 a staff meeting with the EVOS staff at 1:00 p.m. on Friday,  
4 the 1st.

5 CHAIRMAN DUFFY: Excellent.

6 MS. PEARCE: Good.

7 CHAIRMAN DUFFY: Okay. Is there any other  
8 business before the Council at this time?

9 MR. BALSIGER: This is Jim Balsiger and I  
10 think that your question about letters to the applicants is 11 good and Joe  
12 suggested we should send them. I'm not quite 12 sure how to accomplish  
13 that. I don't know whether -- Drue 13 should know who all the applicants  
14 are, so I don't know if 14 that should get taken care of other than in the  
15 Exxon

15 Valdez offices or whether there's any sensitivities there. 16

MS. BALLARD: You mean Gail, I think.

17 MR. BALSIGER: I'm sorry, yes, of course,  
18 that's what I meant.

19 MR. MEADE: This is Joe. I was wondering  
20 if we might be able to ask Cherri or one of the members  
21 there at the Council just to draft a simple letter that  
22 then could go out under the personal names of each of the 23 applicants.  
Wouldn't it be something that simple?

24 MS. PEARCE: And I believe, Cherri, don't  
25 you have our electronic signatures or maybe just on this,

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1 maybe Kevin and Jim on behalf of the entire Council sign.

2 MS. WOMAC: I do not have electronic  
3 signatures.

4 MS. PEARCE: Okay.

5 MS. WOMAC: But I will do the letter and  
6 then I can make it for both their signatures.

7 MS. PEARCE: I think that would be good in  
8 place of all six of us.

9 MR. MEADE: I do, too.

10 MS. WOMAC: Okay.

11 CHAIRMAN DUFFY: Yeah, I think that would  
12 be great, Cherri. Maybe if you could send Jim and I a  
13 draft, we could return it to you and we could -- there's 14 got to be a way  
for me to transmit my electronic signature 15 to you.

16 MS. BALLARD: Electronically.

17 CHAIRMAN DUFFY: Sure. By e-mail.

18 MS. WOMAC: I will draft and send it,  
19 probably Monday.

20 CHAIRMAN DUFFY: That's excellent, thank  
21 you.

22 MR. BALSIGER: This is Jim Balsiger, I'm  
23 going to be on leave through late Thursday, so I'll either 24 pick it up on  
Friday or -- I'll contact you how I'm going 25 to do it, Cherri.

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1 MS. WOMAC: Okay.

2 MS. BALLARD: Jim, this is Ernesta, you  
3 could have the last line to be, or the signature block to  
4 be, Kevin Duffy for the two of you.

5 MR. BALSIGER: That would suit me just  
6 fine.

7 MR. MEADE: Or just for the Trustee Board  
8 as a whole.

9 MS. BALLARD: Yeah.

10 CHAIRMAN DUFFY: For the Trustee Council,  
11 yeah.

12 MS. BALLARD: And then it's taken care of  
13 with one signature.

14 CHAIRMAN DUFFY: Yeah. Okay.

15 MS. BALLARD: Kevin, I move we adjourn.

16 CHAIRMAN DUFFY: It's been moved by Ernesta  
17 Ballard to adjourn the Trustee Council meeting, is there a 18 second?

19 MS. PEARCE: This is Drue, I'll second.

20 CHAIRMAN DUFFY: Thank you. Seconded by  
21 Drue Pearce. Hearing no objection, so moved that the  
22 Trustee Council meeting is concluded at 4:20 p.m., July 23 25th,  
2003.

24 (Off record - 4:20 p.m.)

25 (END OF PROCEEDINGS)

