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2 TRUSTEE COUNCIL MEETING
3 Wednesday, February 28, 1996
4 3:30 o'clock p.m.

5
6 645 G Street
7 Fourth Floor Conference Room
8 Anchorage, Alaska

9 **TRUSTEE COUNCIL MEMBERS PRESENT:**

10 U.S. DEPARTMENT OF THE INTERIOR: **MS. DEBORAH WILLIAMS (Chair)**
11 Special Assistant to the
12 Assistant Secretary

13 STATE OF ALASKA - **MR. CRAIG TILLERY**
14 DEPARTMENT OF LAW: Trustee Representative
for the Attorney General

15 STATE OF ALASKA - DEPARTMENT **MS. JANET KOWALSKI**
16 OF FISH AND GAME: Alternate for
Commissioner Frank Rue

17 U.S. DEPARTMENT OF AGRICULTURE - **MR. PHIL JANIK**
18 U.S. FOREST SERVICE: Regional Forester

19 U.S. DEPARTMENT OF **MR. STEVE PENNOYER**
20 COMMERCE - NOAA: Director, Alaska Region

21 STATE OF ALASKA - DEPARTMENT **MS. MICHELE BROWN**
22 OF ENVIRONMENTAL CONSERVATION: Commissioner

TRUSTEE COUNCIL STAFF PRESENT:

MS. MOLLY McCAMMON Executive Director
EVOS Trustee Council

MS. REBECCA WILLIAMS Executive Secretary
EVOS Trustee Council

MS. L. J. EVANS Public Information Specialist
EVOS Trustee Council

MR. ALEX SWIDERSKI Alternate, Department of Law

MR. JAMES WOLFE Alternate, Department of
Agriculture, U.S. Forest Service

MR. ERNIE PIPER Alternate, Department of
Environmental Conservation

OTHER PARTICIPANTS:

DAVE GIBBONS U.S. Forest Service

MS. GINA BELT U.S. Department of Justice

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(Tape No. 1 of 1)

(On record at 3:33 p.m.)

CHAIR WILLIAMS: I will call the February 28th, 1996, meeting of the Exxon Valdez Oil Spill Trustee Council to order.

I would like to announce the Trustee Council members that are present today. We have Craig Tillery, representing the Attorney General's Office; myself, Deborah Williams, representing the Department of Interior; Steve Pennoyer, representing the National Marine Fisheries Service; Michele Brown, representing the Alaska Department of Environmental Conservation; Phil Janik, representing the U.S. Department of Agriculture, Forest Service.

Do we have the representative from ADF&G on?

MS. McCAMMON: Janet Kowalski.

CHAIR WILLIAMS: Yes.

MS. KOWALSKI: Yeah, I'm here. Thanks.

CHAIR WILLIAMS: Okay. And Janet Kowalski, representing the Alaska Department of Fish and Game.

Welcome all Trustees. We have before us a proposed agenda. Do I hear any additions or corrections to the agenda?

(No audible response)

CHAIR WILLIAMS: Do I hear a motion to approve the agenda?

MR. PENNOYER: I move.

CHAIR WILLIAMS: Moved by Steve. Seconded -- did I hear you, Phil?

MR. JANIK: Yes.

CHAIR WILLIAMS: Okay. Seconded by Phil to approve 4
the agenda. Are there any objections?

(No audible response)

1 CHAIR WILLIAMS: Hearing none, the agenda is adopted.
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3 The first item on the agenda is the Quarterly Project
4 Status Summary, and the monthly financial statement. We have
5 been given copies of both here in Anchorage. Do you have
6 copies in Juneau?

7 MR. JANIK: Yeah, we do.

8 MR. PENNOYER: Yes.

9 CHAIR WILLIAMS: Excellent. Molly, would you like to
10 discuss them, please?

11 MS. McCAMMON: Madam Chair, I didn't need to discuss
12 these necessarily. I just wanted to take the opportunity to
13 make sure that all of the Trustees received copies of them
14 since we don't know when the next full-fledged meeting will be.

15 These are just the monthly financial statements and
16 then the Quarterly Status Report. I think that has a lot of
17 good information about the status of project reports, which I
18 think we've made considerable progress on in the last year.

19 CHAIR WILLIAMS: Are there any questions or comments
20 about the Quarterly Project Status Summary or the monthly
21 financial report?

22 MR. PENNOYER: Yeah, Madam Chair?

23 CHAIR WILLIAMS: Yes. Mr. Pennoyer?

24 MR. PENNOYER: Haven't had a chance, of course, to
25 read it. Molly, you said made good progress. Is there
anything else you want to highlight we should pay particular
attention to, any problems you see?

MS. McCAMMON: Madam Chair, there's only a couple of 5
projects that we're really behind on in the project reports.
Most of them -- and those are pretty much for a good reason;
we're still trying to work out various ways of resolving them.

At this point, our biggest gap seems to be in last
year's reports. We've had a number of these come in since this
report was prepared; this is as of December 31st. It's been
almost two months since that time, and we've actually had quite
a few in there. So at this point, I don't think there's any
major problems.

MR. PENNOYER: Okay. Thank you.

CHAIR WILLIAMS: I heard what sounded like a hang-up.
Let me make a quick check that we have all the Trustee Council
members. Obviously, Steve, you're still on. Phil, you're on?

MR. JANIK: Yes.

CHAIR WILLIAMS: Okay. And Janet?

MS. KOWALSKI: Yes.

CHAIR WILLIAMS: Okay.

MS. McCAMMON: Michele.

CHAIR WILLIAMS: And Michele. Excuse me. Michele?

MS. BROWN: Yes.

CHAIR WILLIAMS: Yes. Excellent. Very good. Okay.
Any further questions or comments about these two documents?

(No audible response)

CHAIR WILLIAMS: All right. The next item on the
agenda is an Executive Session to discuss habitat protection
negotiations including Eyak Core Lands. Would someone care to
make a motion that the Trustee Council go into Executive
Session to discuss habitat protection negotiations including

MR. JANIK: Phil Janik. So moved.

MR. PENNOYER: Second.

1 CHAIR WILLIAMS: Moved by Phil. Seconded by Steve.
2 Is there any discussion about going into Executive Session on
3 these items at this time?

4 (No audible response)

5 CHAIR WILLIAMS: It's been moved and seconded. Is
6 there any opposition to the motion?

7 (No audible response)

8 CHAIR WILLIAMS: Hearing none, we will go into
9 Executive Session at this time.

10 COURT REPORTER: Off record.

11 (Off record at 3:40 p.m.)

12 (On record at 4:45 p.m.)

13 COURT REPORTER: On record. It's 4:45 p.m.

14 CHAIR WILLIAMS: This is the continuation of the
15 Trustee Council meeting of February 28, 1996. Let me just make
16 absolutely sure that we have all Trustee Council members
17 present. We have Craig Tillery here; myself, here. Steve, you
18 are still on the line?

19 MR. PENNOYER: Yes. I'm on line.

20 CHAIR WILLIAMS: Michele?

21 MR. PENNOYER: Yes.

22 CHAIR WILLIAMS: No, no, no, no, no.

23 (Laughter)

24 CHAIR WILLIAMS: Michele?

25 MS. BROWN: Yeah. I had the last part of that. It
just sounded like an "L." Yeah, I'm here.

CHAIR WILLIAMS: Phil?

MR. JANIK: Yes. We're on line.

CHAIR WILLIAMS: Good. And Janet?

MS. KOWALSKI: Yes.

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CHAIR WILLIAMS: All right. We have all Trustee member agencies represented at this time. We thank the public for being patient while we were in Executive Session.

As our motion indicated, in Executive Session we restricted ourselves to discussing habitat protection negotiations, including Eyak Core Lands.

We thank the public who presented us with the urgent petition to protect Eyak Lake, Eyak River, and Power Creek. We did review that petition for purposes of our discussion, and I thank the 248 individuals who signed that, primarily in the city of Cordova.

Would anyone like to bring a motion regarding Eyak to the floor at this time?

MR. JANIK: Madam Chair, this is Phil Janik. I am prepared to submit a motion. Would you prefer we go over a description of the parcel first and the description of values?

CHAIR WILLIAMS: Yes. Why don't we do that? Let's go ahead and do background and then the motion. Thank you, Mr. Janik.

MR. JANIK: Okay. We're going to have Jim Wolfe, here, of the Forest Service, do those two tasks for us.

MR. WOLFE: Okay. The property that we're interested in are the Eyak River, Power Creek, and Eyak Lake area, known as -- together known as the Core Lands, consisting of approximately 2,000 acres, and we have a map depicting the

areas involved.

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CHAIR WILLIAMS: Mr. Wolfe, I believe you mean 11,200 acres?

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MR. WOLFE: I'm -- what did I say?

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CHAIR WILLIAMS: I think, 2,000.

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MR. WOLFE: Sorry. Eleven thousand two hundred acres. These lands are within the oil spill area. Core lands include important habitat which are critical to recovery of injured -- of natural resources injured during the oil spill.

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Overall, the habitat was evaluated as -- with a moderate ranking in the Trustee Council habitat acquisition ranking process. However, it has high value to benefit restoration of sockeye salmon, cutthroat trout, Dolly Varden, river otter, as well as a high recreation value for -- or restoration value for recreation use.

In addition, the water quality for Eyak Lake is of major concern from development in the area and protection of the land surrounding the lake; an acquisition would limit the risk of this occurring. The Core Lands also have a high scenic value because of their visibility from the Copper River Highway.

I guess that's probably enough of a description of restoration benefits at this point.

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CHAIR WILLIAMS: Very good. Before there is a motion, would any Trustee Council members or Ms. McCammon like to put any other issues on the table with regard to the Eyak Core Lands?

(No audible response)

CHAIR WILLIAMS: You know, it might be useful -- is

it possible to review the meeting with the board at this time, 9
talk about -- well, its been a long day.

1 Basically, what I want to say is that the Trustee
2 Council has been very, very interested in protecting the Core
3 Lands. And we have discussed the Core lands for, certainly,
4 the entirety of my two-year tenure on the Trustee Council, and
5 I know Steve, you can predate me. We are committed to
6 protecting the Core Lands for all the reasons that Mr. Wolfe
7 mentioned. They have important restoration value, and very
8 candidly, we also are aware of their importance to the
9 community of Cordova and to the state of Alaska in general.

10 We were notified a month ago or so from board members
11 at Cordova that there is an intent on the part of Eyak and
12 Sherstone to log this core area beginning March 15th. And that
13 prompted the Trustee Council to react and to seek to make a
14 specific offer to, again, afford these core lands the
15 protection that they deserve. And we understand that the
16 community of Cordova and, for the most part, the people of
17 Alaska hope to achieve.

18 So the Trustee Council has met now on several
19 occasions to consider an offer, and that is what we are
20 prepared to do shortly in the form of a resolution. We
21 certainly do hope that Eyak Corporation and Sherstone will
22 review this offer carefully, and we hope that it will be
23 accepted for the benefit of restoration and the citizens of
24 Cordova and the people of Alaska.

25 Anyone else like to make prefatory comment?

(No audible response)

CHAIR WILLIAMS: Okay. Then, Mr. Janik, are you

prepared to make a motion at this time?

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MR. JANIK: Yes. And I'd like to preface that by simply saying that the specifics and details of the offer that I am about to move will be contained, as you referred to, Madam Chair, in a resolution yet to be finalized, and we will hopefully have that taken care of as early as by tomorrow and available, of course, to Eyak Corporation and Sherstone, Incorporated, as well as others who may want to review that.

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I move the following: That the Trustee Council authorize the Forest Service to offer \$7 million to Eyak Corporation/Sherstone, Incorporated, for fee simple acquisition of the area generally known as the Core Lands, which includes Power Creek, Eyak Lake, Eyak River parcels, including timber.

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CHAIR WILLIAMS: Is there a second to the motion?

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MR. TILLERY: Second.

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CHAIR WILLIAMS: Seconded. It's been moved by Mr. Janik and seconded by Mr. Tillery to offer \$7 million for the purchase of 11,200 acres in fee simple, known as the Core Land.

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We do have a map which depicts the property in question and, among other things, shows areas that Eyak Corporation desires to exclude. Those lands that are depicted on our map with blue stripes, at least on the map that I have, are not included in the offer. They are lands that Eyak is desirous of developing: two parcels on the lake and one parcel on Eyak River.

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Discussion, please, of the motion. Mr. Pennoyer, would you like to say anything?

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MR. PENNOYER: No, Madam Chair. I think you summarized it earlier. The Core Lands have certainly been an

important aspect of this Council for a long, long time, were one of the first parcels in Prince William Sound we really discussed the need to acquire for restoration purposes and importance in that particular area. So I'm completely in accordance with this and prepared to vote on it.

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CHAIR WILLIAMS: Okay.

MR. JANIK: Madam Chair?

CHAIR WILLIAMS: Yes.

MR. JANIK: This is Phil Janik. Just one statement of observation, and in full consideration by the Council, just for the record, the offer included in the motion of \$7 million is above the estimated fair market value.

(Pause)

CHAIR WILLIAMS: Yes. And I know sometimes we avoid adverse, but I certainly believe it is substantially above. All right. Any further discussion of the motion?

(No audible response)

CHAIR WILLIAMS: We will take a vote on the motion at this time. All members in favor of the motion, please. 12a10 Yes.

MS. McCAMMON: Madam Chair, you should all have a memo before you from myself that is requesting permission to transfer \$21,400 from Project 96100 to 96115 within the Alaska

