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1 EXXON VALDEZ OIL SPILL
2 TRUSTEE COUNCIL
3 TRUSTEE COUNCIL MEETING

4 October 3, 1997

5 10:30 o'clock a.m.

6 Federal Building, Forest Service Conference Room

7 741 West 9th Street, Room 541A

8 Juneau, Alaska

9 TRUSTEE COUNCIL MEMBERS PRESENT:

10 STATE OF ALASKA -

MR. CRAIG TILLERY

11 DEPARTMENT OF LAW:

for the Attorney General

12 STATE OF ALASKA - DEPARTMENT

MR. FRANK RUE

13 OF FISH AND GAME:

Commissioner

14 U.S. DEPARTMENT OF INTERIOR:

MS. DEBORAH WILLIAMS

15 (Telephonically)

Special Assistant to the

16

Assistant Secretary

17 U.S. DEPARTMENT OF AGRICULTURE -

MR. JIM WOLFE FOR

18 U.S. FOREST SERVICE

PHIL JANICK

19 U.S. DEPARTMENT OF COMMERCE - NMFS:

MR. STEVE PENNOYER

20

Director, Alaska Region

21 STATE OF ALASKA - DEPARTMENT

MS. Ginny Fay for

22 OF ENVIRONMENTAL CONSERVATION:

Commissioner M. Brown

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1 TRUSTEE COUNCIL STAFF PRESENT:

2 MS. MOLLY McCAMMON

3

4 MR. ERIC MYERS

5

6 MS. TRACI CRAMER

7

8 MS. REBECCA WILLIAMS

9

10 MR. HUGH SHORT

11

12 MR. BILL HINES

13 MR. ALEX SWIDERSKI

14

15 MS. CLAUDIA SLATER

16 (Telephonically)

17 MR. BRUCE WRIGHT

18 MS. CATHERINE BERG

19 (Telephonically)

20 MS. CAROL FRIES

21 (Telephonically)

22 MR. BARRY ROTH

23 (Telephonically)

24

25

Executive Director

EVOS Trustee Council

Director of Operations

EVOS Trustee Council

Director of Administration

EVOS Trustee Council

Executive Secretary

EVOS Trustee Council

Community Involvement

Coordinator, EVOS Staff

NOAA/NMFS

State of Alaska

Department of Law

Department of Fish and Game

State of Alaska

NOAA/NMFS

U.S. Fish and Wildlife

Service

Department of Natural

Resources

Attorney-Advisor

Conservation & Wildlife

Division

Department of the Solicitor

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P R O C E E D I N G S

(On record - 10:40 a.m.)

CHAIRMAN TILLERY: Good. And my understanding is that we have Valdez on, Anchorage on, Fairbanks on and Chenega on. This is the October 3rd meeting of the Exxon Valdez Trustee Council which I'd like to call to order. I am Craig Tillery representing the Department of Law. With us we have Ginny Fay representing the Department of Environmental Conservation; Frank Rue, the Commissioner of the Department of Fish and Game; Steve Pennoyer with NMFS; and Jim Wolfe the United States Forest Service; and in Anchorage we have Deborah Williams with Department of the Interior.

The first matter is the approval of the agenda, is there a motion?

MR. PENNOYER: So moved.

MR. RUE: Second.

CHAIRMAN TILLERY: It's been moved and seconded to approve the agenda; is there any discussion or additions anyone wishes to make?

(No audible responses)

CHAIRMAN TILLERY: Any objection to the agenda as written?

(No audible responses)

CHAIRMAN TILLERY: Hearing none the.....

MR. RUE: Not an objection, just an

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1 observation, just a time.....

2 CHAIRMAN TILLERY: Commissioner Rue.

3 MR. RUE: I will not be -- I have to be
4 somewhere else from 11:30 till 1:00.

5 CHAIRMAN TILLERY: Okay. Thank you. We
6 shall.....

7 MR. RUE: If you need to take an action, again,
8 before then.

9 CHAIRMAN TILLERY: That should work.

10 MR. RUE: Okay.

11 CHAIRMAN TILLERY: Okay, thank you. Any
12 other.....

13 MS. D. WILLIAMS: Mr. Chairman, does
14 Commissioner Rue intend to have an alternate in during that
15 time period?

16 MR. RUE: If need be I can call someone, I
17 didn't intend to.

18 CHAIRMAN TILLERY: Yeah, looking at the agenda,
19 it doesn't look like it's essential, but he's indicated he's
20 got one that can come if it looks like we're going to need
21 someone.

22 Okay, is there a -- the next item of business is the
23 approval of the August 6th meeting notes. Is there a motion?

24 MR. RUE: So moved.

25 MR. PENNOYER: Second.

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1 CHAIRMAN TILLERY: Is there any discussion?

2 (No audible responses)

3 CHAIRMAN TILLERY: Is there any objection to
4 approval of the August 6th meeting notes as written?

5 (No audible responses)

6 CHAIRMAN TILLERY: Hearing none, those meeting
7 notes are approved.

8 The next item on the agenda is the Executive Director's
9 report. Ms. McCammon.

10 MS. McCAMMON: Thank you, Mr. Chairman. In
11 your packet you will note the financial report as of August
12 31st, 1997, showing the balances in the liquidity account and
13 also in the restoration reserve. If you have any questions at
14 any time about any of these financial statements, as they come
15 to you, just be sure to give me call.

16 I also wanted to note that if you go to the Anchorage
17 office beginning as of last week you will notice that the Oil
18 Spill Public Information Center has moved, has changed
19 locations. It is now consolidated with the new Alaska
20 Resources Library Information System or ARLIS, which is located
21 on C Street in the building that Magnum -- the Magnum business
22 is currently operating. With this move I think the ability for
23 the public to get greater access to resource information about
24 oil spills and about resources in the spill area from Fish and
25 Wildlife Service, BLM, from the State Department of Fish and

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1 Game, from others will be greatly improved.

2 We will still have very close coordination between
3 ARLIS and our office and I'm hoping that the service that the
4 public receives will not only be as professionally done as it
5 has been in the last few years from OSPIC, but they'll actually
6 have increased access and increased information.

7 But this does mean that the office space in Anchorage
8 has consolidated to the fourth floor and we no longer have any
9 office space on the bottom floor of that building. And in the
10 near future I'll be sending you the access numbers, fax
11 numbers, the staff and who will be available there, what kinds
12 of things will be now available, such as the administrative
13 record in the Restoration office and things of that nature.

14 I also wanted to take this time to call attention to
15 the fact that Dana Schmidt, who has been the key biologist for
16 the Exxon Valdez Oil Spill restoration work on the Kenai River,
17 the sockeye work on the Kenai River and who is regarded by our
18 Chief Scientist and by others -- I think Bob referred to him at
19 one time as bordering on brilliant. And certainly the work
20 that he has done for EVOS in terms of sockeye restoration has
21 been -- he's done an incredible job. Unfortunately he's
22 retired, left the state and has been snagged up by British
23 Columbia and will be working with them, I assume, on their
24 sockeye program. And I do have a resolution, certificate of
25 appreciation for all of the work and effort he's done in terms

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1 of helping to restore the resources injured by the spill.

2 And, Commissioner Rue, I'm sure you'd like to say
3 something there, too.

4 MR. RUE: I guess I find this is a sad moment
5 for three reasons. One, we're losing a good person, Dana, who
6 did some terrific research. Two, it shows what the legislative
7 budget cuts do to the Department, we lost him because the
8 limnology program is going away. And three, he's going to the
9 Canadians of all people, my God, how he can do that. I think
10 we may have to extradite him or something to maybe force him
11 back here. Anyway, no, he did great work for the Department
12 and for the Trustee Council, you know, it's a legacy that we'll
13 continue to use. The research he did on the Kenai really was
14 ground-breaking and great work and obviously the people in the
15 Department are going to miss him, but I think we'll miss him as
16 the Trustee Council. And I know he'll do good work for the
17 Canadians, maybe they'll get their act together. It'll be
18 great. I shouldn't say that. I just can't help myself.

19 MS. McCAMMON: And we are passing around a
20 certificate of appreciation and when it's signed here I'll
21 bring it up to Anchorage, Deborah, for you to sign.

22 Even though we're losing staff, we've also gained
23 staff, at least in the Restoration office. As many of you know
24 the position of Community Involvement Coordinator has been
25 vacant since -- at least since April. I'm very please to say

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1 that we've been able to fill the position.....

2 MS. D. WILLIAMS: Mr. Chairman, if you can hear
3 me you are breaking up badly in Juneau.

4 (Off record comments - getting phone to work)

5 (Off record - 10:46 a.m.)

6 (On record - 10:55 a.m.)

7 CHAIRMAN TILLERY: Okay, Anchorage, can you
8 hear us?

9 MS. D. WILLIAMS: Anchorage is on.

10 CHAIRMAN TILLERY: Can you hear us, Deborah?

11 MS. D. WILLIAMS: Yes, it's a little muffled.

12 CHAIRMAN TILLERY: Okay, we're going to try to
13 make a slight physical adjustment in the room here.

14 Valdez, can you hear us?

15 MR. HUGHEY: Yes, we can.

16 CHAIRMAN TILLERY: Okay. And Fairbanks?

17 MR. LEWIS: Can hear you just fine.

18 CHAIRMAN TILLERY: Okay. Chenega?

19 MS. EVANOFF: I hear you just fine.

20 CHAIRMAN TILLERY: Okay, is there any other
21 site that's come on? Is there anyone in Homer on line?

22 MS. BRODIE: Yes, this is Pam Brodie at home in
23 Homer on line, thank you.

24 CHAIRMAN TILLERY: Okay. All right, thank you.
25 Well, we tried to make another adjustment here on the

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1 microphone, we did hear -- we could hear all of you very well
2 while you apparently couldn't hear us. I guess at this point,
3 Deborah, could you give me an indication of sort of the last
4 thing you remember us saying?

5 MR. WOLFE: This is a test.

6 CHAIRMAN TILLERY: Deborah, can you hear me?

7 MS. D. WILLIAMS: We were just finishing up
8 talking about Dana.

9 CHAIRMAN TILLERY: Okay.

10 MS. D. WILLIAMS: Oh, no, no, we were just
11 starting talking about Hugh. She just said, as many of you
12 know, we haven't had a Community Involvement Coordinator for a
13 while.

14 CHAIRMAN TILLERY: Okay. And that's about
15 where we essentially left off. So, Molly, if you could
16 continue.

17 MS. McCAMMON: Okay.

18 CHAIRMAN TILLERY: And please, Deborah, if you
19 do -- if we start to break up again, please, cut in like you
20 did last time, we appreciate it.

21 MS. McCAMMON: All right, we'll go back. As
22 many of you know we've been without a Community Involvement
23 Coordinator since about April. We're very fortunate now to
24 have on staff through a contract with Chugach Regional
25 Resources Commission, Hugh Short. He started about three weeks

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1 ago. He's actually from Bethel, but he has worked in the spill
2 area for Senator Georgianna Lincoln, he now lives in Anchorage
3 and has been doing some traveling already to the communities
4 and I'd like to -- he is actually here in Juneau and so I'd
5 like to introduce him to the Trustees.

6 Hugh works in the Restoration office and is available
7 in terms of working with communities on various projects and
8 issues and we're really grateful to have him here.

9 I also wanted to mention that in the packet, under the
10 tab "10th Anniversary" there is an outline in there describing
11 our first cut at a status report book for the 10th anniversary.
12 And as many of you know, we've talked a number of times about
13 what this report or book should look like. We do have a
14 scientific forum scheduled for March of 1999, scheduled to
15 coincide with the 10th anniversary of the spill. At one point
16 we were trying to put together a symposium proceedings of all
17 of the papers that would be presented at that anniversary
18 session. However, in order to do that and get it edited, peer
19 reviewed, printed and available by March of 1999 we would have
20 had to have all the text written by this past summer. And when
21 you start working out the timing of doing that it just didn't
22 work since a number of our projects are actually in kind of the
23 final phases of reaching conclusions and preparing for the
24 analysis of the data that will be presented actually in those
25 papers at the forum.

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1 Then we kind of backed up and thought about what we
2 actually wanted this report to say and we actually view the
3 report as being the Council's report to the public on what's
4 happened in the 10 years since the spill occurred. What is the
5 state of the ecosystem; what is the status of the resources
6 that were injured by the spill; what kind of recovery has been
7 achieved; how has the Council spent the money. And also, I
8 think, to answer some of the questions from the public in terms
9 of what's different now, 10 years later, than the situation was
10 in 1989. Have things changed in terms of response and
11 prevention. And so even though these really aren't the purview
12 of the EVOS Trustee Council it's a question that we always get
13 asked and that I think we have some responsibility to have some
14 answers to. So there's a little bit of that addressed.

15 But what we're basically looking at is an expanded
16 annual report without probably the detail that we usually
17 include from the audit, but going into more detail in terms of
18 answering all of those various questions. And I know that
19 we've talked to a number of the Trustees and other folks about
20 the other kinds of information they're interested in getting
21 out to the public, either in the next year or in the next
22 couple of years, and so following the description of the 10th
23 anniversary booklet and the time line, there's a paper in your
24 packet that describes publications and productions. And this
25 is our rough schedule of the kinds of things we're working on

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1 now -- between now and 2002. This includes the restoration
2 update, which is our newsletter that comes out every other
3 month. As you know we've also been working on a video source
4 reel and video news release which is video that would be
5 available to the news media and the public on habitat
6 acquisitions and the various research projects that the
7 Council's been funding. Those two products will be done this
8 month.

9 We've also been working on what we call the Restoration
10 Notebook series, which is something for the general public,
11 compiling all the information from the research on various
12 individual species. We're working on a small exhibit to go to
13 the various communities, explaining the status of the resources
14 and how the Council's been spending the money. And this would
15 be done in conjunction with the planning for the restoration
16 reserve.

17 The Trustee Council informational video will be done in
18 January and then there will be a half an hour long documentary
19 that will be done next fall. In addition we're putting
20 together a large exhibit for the opening of the SeaLife Center,
21 this would occur in May and probably stay there for six months
22 and probably come to Anchorage to be located somewhere during
23 the 10th anniversary symposium.

24 We're also reviewing the update on injured resources
25 and services, that was updated last year. That will be updated

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1 again next year in more detail than we have in the past and
2 basically do a synopsis of recovery and a synopsis of
3 restoration actions.

4 We have the 10th anniversary booklet. By October 2002
5 or thereabouts we'll be putting together a final report on the
6 EVOS Trustee Council activities and then during the entire
7 process, as you know, we've been emphasizing additional peer
8 reviewed papers, including synthesis papers that are being put
9 together now by Phil Mundy, Pete Peterson and others.

10 So these are some of the other kinds of publications
11 that we've been putting together to provide information to
12 various audiences and different formats as part of our effort
13 of responding to the public and letting the public and the
14 general scientific community know the results of the Research
15 and Restoration Program.

16 CHAIRMAN TILLERY: Molly, is there any action
17 required of the Council on this at this time?

18 MS. McCAMMON: The only action that I would ask
19 the Council is that at this point we're starting -- following
20 the time line for this report and if any of the Council members
21 have serious concerns or questions it would be helpful to get
22 that soon because without that we intend to go forward as this
23 -- this is kind of our plan of attack, basically.

24 CHAIRMAN TILLERY: Okay.

25 MR. PENNOYER: Mr. Chairman.

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1 CHAIRMAN TILLERY: Mr. Pennoyer.

2 MR. PENNOYER: So when does the estimated
3 budget become an actual approval item then or are parts of it
4 already approved or how is that going to be.....

5 MS. McCAMMON: The estimated budget would be
6 for next year.

7 MR. PENNOYER: Okay, fine, thank you.

8 MS. D. WILLIAMS: Mr. Chairman.

9 CHAIRMAN TILLERY: Ms. Williams.

10 MS. D. WILLIAMS: Two small items but I'll use
11 my EVOS Council member prerogative to bring these up. With
12 respect to the second question, since I think this is going to
13 from this meeting out to more folks. This Trustee Council
14 member has great concerns about the use of the word "critters",
15 I really, really dislike that word for fish and wildlife and so
16 I would ask that be either changed to fish and wildlife or
17 affected species. The question is whether we're going to talk
18 anything about plant species. And if we're talking about plant
19 species then there needs to -- you know, a general term as
20 possible, but please substitute something appropriate for the
21 word "critters".

22 And then with respect to the second -- or the third
23 question, the one right after the one that I hope we're
24 changing from the word "critters". I certainly think it is an
25 appropriate and necessary question to ask, has the ecosystem

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1 recovered overall? It's a very, very hard question, I think,
2 is the ecosystem healthy overall? And I'm not sure that's what
3 we should be asking in this document anyway. There could be
4 other reasons that the ecosystem is not healthy, introduction
5 of non-indigenous species, contaminants, other factors, so I
6 think that first question is much broader than what we're
7 doing. So I would recommend that we only -- you know, has it
8 recovered from, you know, from the oil spill overall?

9 So those are my two comments on the questions that are
10 presented.

11 CHAIRMAN TILLERY: Okay. Are there additional
12 comments? Commissioner Rue.

13 MR. RUE: I think I agree with Ms. Williams on
14 that, I don't know if I want to be called the "Department of
15 Critters".

16 CHAIRMAN TILLERY: Mr. Pennoyer.

17 MR. PENNOYER: Yeah, Mr. Chairman. Deborah, I
18 generally agree with you, but as we get into the question of
19 recovery some of the other aspects of health of the ecosystem
20 are going to complicate the question. For example, why,
21 whether there's something -- a species has recovered that was
22 declining before the spill, that this accelerated the rate? So
23 with the provision that I understand that there's a
24 relationship there that's probably is going to have to be
25 explained to make a statement about whether resources have

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1 recovered, then I generally agree with you.

2 MS. D. WILLIAMS: And I concur with that,
3 Steve. Certainly when we talk about has the ecosystem
4 recovered, we do have to talk about the issues.

5 CHAIRMAN TILLERY: Ms. McCammon.

6 MS. McCAMMON: Mr. Chairman, if I could respond
7 to that, too, because this issue was raised to me earlier and I
8 had some discussion with the Chief Scientist and with the
9 Science Coordinator on this. My guess is that the two chapters
10 on how are the fish and wildlife resources doing and is the
11 ecosystem healthy overall, that there's a lot of overlap in
12 there. And how the actual chapter will be written, my guess is
13 the two will probably be merged. That they probably won't be
14 so easily teased out separately.

15 But it is part of the mission of the Council, and if
16 you go back to the mission statement that the Council adopted
17 in December of 1993, the mission is to have the ecosystem
18 recovered to a healthy productive ecosystem. And so I think
19 it's important in terms of reporting to the public, in terms of
20 what is the status. And I know for sure that the answer will
21 be a complex answer because we know the ecosystem has changed,
22 how much of that is due to the oil spill, how much of that is
23 due to other environmental factors and other things going on is
24 hard to specifically know what has how much influence.

25 And what I would suggest is that what we do is just put

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1 these two items together in terms of how are the fish and
2 wildlife resources and the overall ecosystem doing and has it
3 recovered? And respond to it that way. And, certainly, as we
4 go through and draft everything, all of the agencies will have
5 -- will see everything in draft and will actually be writing
6 some of these things, so we'll have plenty of time to look at
7 it.

8 CHAIRMAN TILLERY: Are there other comments?
9 Mr. Wolfe.

10 MR. WOLFE: Mr. Chair. Well, I'm not sure I
11 would support use of "critters", it is broader than fish and
12 wildlife, but -- so I'm not sure what the name or the
13 terminology is.

14 CHAIRMAN TILLERY: Well, there may be some
15 terminology, like natural resources that.....

16 MR. WOLFE: Natural resources is what I had in
17 mind, yeah, or resources. Okay, that was my point.

18 CHAIRMAN TILLERY: Are there any other
19 comments?

20 (No audible responses)

21 CHAIRMAN TILLERY: Okay. I think what we need
22 to do, Molly, unless this is going to mess up the timing
23 somehow, is to skip by the Public Advisory Group for the moment
24 and.....

25 MS. McCAMMON: Go to public comment?

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1 CHAIRMAN TILLERY:go to public comment,
2 unless you got somebody waiting on line for that report.

3 MS. McCAMMON: No, we'll go right to public
4 comment.

5 CHAIRMAN TILLERY: All right. At this time --
6 I'm sorry.

7 MS. McCAMMON: Oh, the only thing is that Hugh
8 Short did want, in the public comment section, and he has to
9 catch a plane, so -- but he has been asked by the Chugach
10 Regional Resources Commission Board to do a presentation to the
11 Council during the public comment period, so we can start with
12 him.

13 CHAIRMAN TILLERY: Okay, then we can start with
14 him. Okay. At this time, then, since we are even a little bit
15 passed 11:00 due to our technical difficulties, let's move into
16 public comment. As Molly just indicated, Hugh Short here does
17 have an airplane to catch and so I would like to ask him to go
18 first.

19 But first let me just make sure everybody is still
20 hearing me. Can you still hear me in Southeast?

21 SOUTHEAST: Yes, we can.

22 CHAIRMAN TILLERY: Anchorage?

23 MS. D. WILLIAMS: Yes.

24 CHAIRMAN TILLERY: Fairbanks?

25 MR. LEWIS: Fairbanks is here.

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1 CHAIRMAN TILLERY: Chenega?

2 MS. EVANOFF: Chenega is here.

3 CHAIRMAN TILLERY: And Homer?

4 MS. BRODIE: Yes, sir.

5 CHAIRMAN TILLERY: Okay, is there any other

6 site that has joined us?

7 (No audible responses)

8 CHAIRMAN TILLERY: Okay, Hugh, then why don't

9 you go ahead. I'm not sure where you speak into. Why don't

10 you sit right there, maybe, that'll be the closest mic.

11 UNIDENTIFIED VOICE: Not sure they heard it.

12 CHAIRMAN TILLERY: We heard it from each site.

13 Okay, Hugh.

14 MR. SHORT: Okay, some materials are being

15 handed out, there's a resolution passed by the Chugach Regional

16 Resource Commission, along with some supporting letters.

17 Good afternoon, Trustee Council members, my name is

18 Hugh Short, I'm the Spill Area-wide Community Involvement

19 Coordinator with the Chugach Regional Resources Commission.

20 I'm here today as requested by the Chugach Regional Resources

21 Commission Board of Directors, to present Resolution 97-05 to

22 the Trustee Council. Resolution 97-05 is an endorsement of

23 local repositories in the communities that make up CRRC and to

24 request you, the Trustee Council, to give our representatives

25 in the affected communities a chance to testify at a meeting in

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1 Anchorage, in person, to the Council before any final decision
2 is made on the fate of this matter.

3 The issue of repositories has been around for a while
4 now and has been quite contentious at times. But as we get
5 closer to 1998 and the 10th anniversary of the oil spill, many
6 in the communities most directly impacted by the spill feel it
7 is necessary to resolve the matter and begin this stage of the
8 healing process. The Alutiig people of the Prince William
9 Sound and Lower Cook Inlet have a proud and expansive heritage
10 in the region and feel an impenetrable connection to their
11 ancestors. The remains of their ancestors that range from
12 spear tips to combs carries the spirit of those from so long
13 ago and rightfully belong in the region that they have
14 originated from.

15 Consequently, those charged with protecting and
16 preserving the Alutiig culture feel it necessary that the
17 children of the next generation know and understand where they
18 descended from and that the trials, tribulations and triumphs
19 of those generations fast become evident in the communities
20 that now stand. It is because of this that the people of the
21 region feel that it is vital to have local repositories within
22 their community. Culture is the force that binds the people
23 and education is the force that advances the people.

24 Repositories in the communities serves both of these ends.

25 I have heard of plans to incorporate curriculum in

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1 schools in these communities to the artifacts that would be
2 located in the repository. Imagine an educational experience
3 of a child in one of these communities could have, first
4 reading about the history and traditional methods of his past
5 ancestors and then going to the repository and actually holding
6 the tool that his great, great, great, great grandfather used
7 to skin a seal. This is a cultural connection that is missing
8 too often with the youth of today and could bring together the
9 community culture there for generations to come.

10 All of you are in a position to bring a very positive
11 institution to the communities that have all too often suffered
12 unnecessarily. I, as a representative of these seven
13 communities within the region, ask you to seriously consider
14 this matter and understand the positive or negative
15 ramifications that come from your decision.

16 Thank you for the opportunity to speak today.

17 CHAIRMAN TILLERY: Thank you very much, Hugh.

18 MR. SHORT: Uh-huh.

19 CHAIRMAN TILLERY: Are there any questions that
20 any Council members have for Mr. Short?

21 (No audible responses)

22 CHAIRMAN TILLERY: Okay, thank you.

23 MR. SHORT: Thank you.

24 CHAIRMAN TILLERY: Let's go around the sites
25 and if we could start with Valdez. Is there anyone in Valdez

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1 who wishes to testify?

2 MR. HUGHEY: Yes, we'd like to endorse the
3 Resolution 97-05 that CRRC has put together.

4 CHAIRMAN TILLERY: Okay. If you could -- if
5 each person who would like to comment could please first state
6 your name and spell your last name, that's very helpful for our
7 -- the people who are compiling the record here.

8 MR. HUGHEY: Yes, I'm sorry. My first name is
9 Charles, last name Hughey, H-u-g-h-e-y. I'm the EVOS
10 facilitator in Valdez.

11 CHAIRMAN TILLERY: Okay. Is there anyone else
12 in Valdez who wishes to comment?

13 MR. LEAHY: Yes, I'm Joe Leahy, L-e-a-h-y,
14 Director of the Valdez Museum. We believe that local
15 repositories are the only way to bring the resources back to
16 the people that they belong to, to be shared by future
17 generations at home. And thank you.

18 CHAIRMAN TILLERY: Thank you very much. Are
19 there other people in Valdez who wish to comment?

20 MR. HUGHEY: No, there's not.

21 CHAIRMAN TILLERY: Okay, thank you. If we can
22 go to Fairbanks. Is there anyone in Fairbanks who wishes to
23 comment at this time?

24 MS. D. WILLIAMS: Actually, Mr. Chairman, there
25 may be questions for some of these witnesses.

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1 CHAIRMAN TILLERY: Oh, okay. Ms. Williams, did
2 you have a question?

3 MS. D. WILLIAMS: For Mr. Leahy. Mr. Leahy,
4 are you back at the microphone?

5 MR. LEAHY: I am, yes.

6 MS. D. WILLIAMS: Good. Obviously as a
7 director of museum you fully understand the ongoing financial
8 obligations associated with that. What thoughts do you have
9 about how those could be addressed, and I'm sure you have many
10 challenges in a community as large as Valdez, what thoughts to
11 you have on how these ongoing O&M and other obligations could
12 be satisfied in the important but very small population-wise
13 communities in the Sound area?

14 MR. LEAHY: I can't speak to the specific small
15 population areas, I think that that obviously speaks to having
16 those resources in those communities or having access to them
17 in some collaboration with larger repositories that may be
18 adjacent. A close collaboration, of course, would be possible
19 in areas where there is an existing heritage facility, Cordova
20 and Valdez, and so on.

21 MS. D. WILLIAMS: Could you elaborate on that a
22 little bit more about the relationship between a larger
23 repository and the community repositories in your mind?

24 MR. LEAHY: There may be some collaborations
25 possible that would share space, that would jointly create new

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1 space, that would share technical resources that are perhaps
2 existing on the staff and to share and to teach in that
3 existing institution and to share out that technology and that
4 knowledge through educational programs. So I think there's a
5 lot of collaboration that is possible and could be defined.

6 CHAIRMAN TILLERY: Ms. Williams, you have
7 additional questions?

8 MS. D. WILLIAMS: No, that's all for now.

9 CHAIRMAN TILLERY: Is there anyone here in
10 Juneau that has any comments?

11 MR. PENNOYER: No, that's fine, thank you,
12 Craig.

13 CHAIRMAN TILLERY: Okay, is there anyone in
14 Fairbanks who would like to testify at this time?

15 MR. LEWIS: This is Mike Lewis, L-e-w-i-s, I'm
16 the Archaeology Collections Manager at the University of Alaska
17 Museum here in Fairbanks. Our concern at this point is
18 primarily with the term repository. Repository has a very
19 specific meaning, a technical meaning, and specifically in
20 regards to archaeological collections from state and federal
21 land. The University of Alaska Museum is a recognized federal
22 repository and we want to make sure that this definition of
23 repository is part of the discussion.

24 CHAIRMAN TILLERY: Okay. Are there questions
25 or comments? Mr. Pennoyer.

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1 MR. PENNOYER: Yeah, thank you, Mr. Lewis.
2 Could you expand on that? What do you exactly mean by the
3 definition? Is this the criteria for preservation of artifacts
4 being satisfied and that sort of thing? Would you elaborate on
5 that?

6 MR. LEWIS: Yes, a state repository is defined
7 by 36 CFR 79, these are the regulations that govern the care of
8 federal collections and it outlines, very specifically, the
9 environmental conditions and security conditions required for a
10 repository that is to contain federal collections.

11 MR. PENNOYER: Thank you. I suppose that's
12 something we'll have to look into. I don't know how to take
13 that relative to the actual requirements and costs and that
14 sort of thing and maintenance. But I suppose that's what
15 you're alluding to, is we need to investigate that before we
16 come up with a plan and cost it out.

17 MR. LEWIS: Your signal broke up there just a
18 little bit, but it would be good to have a copy of 36 CFR 79
19 and also to consult with the federal people responsible for
20 collection management to determine just what those requirements
21 are.

22 MS. D. WILLIAMS: Mr. Chairman.

23 CHAIRMAN TILLERY: Ms. Williams.

24 MS. D. WILLIAMS: Mr. Lewis, in your
25 professional opinion, do you think it would be either necessary

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1 or appropriate, a two-part question, for the local repositories
2 to meet the 36 CFR 79 requirements?

3 MR. LEWIS: It would possible, but it would be
4 extremely expensive and the cost is not only in initial
5 construction of the facilities but in ongoing maintenance. It
6 requires a full time special staff as well as specific
7 environmental conditions that have to be met.

8 MR. RUE: Mr. Chairman.

9 CHAIRMAN TILLERY: Commissioner Rue.

10 MR. RUE: Mr. Chairman, I always thought that
11 we were using the word as Webster's Dictionary would define it,
12 rather than how regulations would define it, but that's not
13 true?

14 MS. McCAMMON: Not true.

15 MR. RUE: Interesting.

16 CHAIRMAN TILLERY: Yeah, Ms. McCammon, could
17 you, perhaps, just elaborate a little bit on how we are doing
18 this?

19 MS. McCAMMON: Mr. Chairman, because these are
20 collections that have been found on state and federal public
21 lands they do have to meet these federal requirements. And if
22 you go back to the original planning document, which is the
23 green book that we had commissioned through Chugachmiut, it
24 does have a copy of the regulations in that book. And there's
25 extensive discussion in that planning document about those

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1 requirements and about what extra expense might be required as
2 a result. And that has been one of the issues all along is
3 that they do require a higher level of environmental
4 conditions, security, they do require full time professional
5 staff, trained staff who meets certain requirements. There is
6 an extra level -- and that has been one of the issues and
7 concerns all along. And when we talk about repository, we do
8 talk about the federal definition of repository, yes.

9 And I don't know -- Veronica Christman, I think, who
10 has been our chief staff person working on this, we have spent
11 a lot of time working with the various museums trying to
12 encourage collaboration and to this day, as far as I can tell,
13 there has not been much willingness to collaborate with local
14 museums in a number of the communities. So if that is
15 something that's changing, I think that would be a real
16 positive change, but.....

17 MR. LEWIS: May I respond to that statement
18 just a little bit, please? This is Mike Lewis in Fairbanks.

19 CHAIRMAN TILLERY: Yes, Mr. Lewis.

20 MR. LEWIS: We have continually from the very
21 start and for many years have had close collaborative
22 relationships with many small museums around the state. We
23 provide training programs, workshops to help the smaller
24 museums in the communities become established and become more
25 professional, to take care of the goods and collections, and we

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1 continue that policy today.

2 CHAIRMAN TILLERY: Okay, thank you. Are there
3 other questions for Mr. Lewis or comments from Council members
4 here in Juneau?

5 MS. D. WILLIAMS: Mr. Chairman, I do have one
6 more question.

7 CHAIRMAN TILLERY: Ms. Williams.

8 MS. D. WILLIAMS: Are there different standards
9 for visiting or traveling exhibits, as opposed to repositories,
10 so that if there were a central repository with traveling
11 exhibits, that the traveling exhibits would be under a
12 different standard?

13 MR. LEWIS: This is Mike Lewis in Fairbanks.
14 Yes, that is true, the requirements for a loan exhibit or a
15 traveling exhibit would be much less than for a full time
16 repository. In the case of a traveling exhibit all that would
17 be required is sufficient security to maintain the integrity of
18 the collection, as well as insurance that it's not going to get
19 rained on or otherwise damaged by environmental conditions, but
20 you don't have to have the very strict environmental
21 requirements and security requirements that are needed for a
22 repository.

23 CHAIRMAN TILLERY: Okay, thank you.

24 Ms. Williams, does that answer your concern?

25 MS. D. WILLIAMS: Yes, thank you.

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1 CHAIRMAN TILLERY: Okay. Are there other
2 questions or comments?

3 (No audible responses)

4 CHAIRMAN TILLERY: Okay, is there anyone else
5 in Fairbanks who wishes to make a statement?

6 MR. LEWIS: No, thank you.

7 CHAIRMAN TILLERY: Okay, is there anyone in
8 Chenega who would like to comment?

9 MS. EVANOFF: Yes, there is. Good morning,
10 Trustee Council, this is Gail Evanoff. The spelling of my last
11 name is E-v-a-n-o-f-f. I'm the interim community facilitator
12 on this program, working with Hugh Short. I have two areas of
13 comment if I may, please. The first is, of course, is the
14 archaeological repository, the second is on Molly's report
15 regarding the 10 year agenda for the publication of some sort
16 of a printed material in 1999.

17 But first I'd like to begin on the issue of the
18 archaeological repositories. Of course, Chenega IRA Village
19 Council has long been a very strong supporter of a local
20 facility. We have always been very concerned as to the end
21 result of artifacts or cultural sites visited, of course many
22 of these occurrences happened during the Exxon Valdez Oil Spill
23 treatment time period. But the meetings that the Council
24 and/or representatives, when given a chance to express our
25 opinions about the issues of archaeology in Prince William

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1 Sound, we have always tried to share our cultural traditions of
2 -- that the Chenega Bay people have always honored in that
3 where cultural sites, artifacts or anything of archaeological
4 value be left alone.

5 I've witnessed and heard many instances where that
6 request be made out of respect of this community was not taken
7 seriously.

8 (Telephone rings)

9 CHAIRMAN TILLERY: Hello, Ms. Evanoff, are you
10 still with us?

11 MS. EVANOFF: Thank you, I'm here.

12 CHAIRMAN TILLERY: Okay, we just had a strange
13 noise, so -- go ahead.

14 MS. EVANOFF: Anyway, the Village Council and
15 the community residents have for years, since '89, expressed
16 (indiscernible) the seriousness of the Alutiiq people's history
17 in Prince William Sound. We've always wished for the
18 opportunity to represent the Alutiiq history in Prince William
19 Sound and the Chenega Bay area, particularly with whatever form
20 so as we can get the true and proper representation out. So
21 it's always reservation, because of what we said perhaps, it's
22 going to open the doors. That is, if what we say gets
23 published then we continue to see looters, we continue to get
24 calls about, can we go here and see this or, you know, why
25 don't be bring about this site?

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1 So it's important for this village, one, because we
2 know of artifacts, we know of cultural sites being invaded and
3 artifacts being removed. We know that this village would like
4 those archaeological resources back in this community, one --
5 I'd just like to share just 10 seconds of your time.

6 I just came back from a resource managers workshop, a
7 very intense session, five day workshop on archaeology,
8 understanding the laws of what resource managers are about, all
9 the (indiscernible) agencies that issue archaeology, who they
10 deal with. One of the biggest impressions that I came away
11 from many of the speakers, and they were archaeologists,
12 biologists, managers of small facilities in particular areas,
13 one of the big issues that, as I said, came away with is the
14 issue of education. That archaeology needs to be told to the
15 general public and the best way that can be done is archaeology
16 -- from archaeology of people that it represents. I felt
17 extremely good about that and I'm sharing with you and I hope
18 that you understand when we say we'd like it here, we want that
19 chance to share and put on record the true and actual record of
20 our culture.

21 If there's a facility here it helps the elders, it
22 helps the people, it would have a tremendous impact on our
23 school children. We see it as something -- as an added
24 attraction to the village, very definitely. We're in the
25 process of developing our -- implementing our economics

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1 development plan, of course, that is tourism. We've had
2 questions as to what can we show people here? I've been
3 sharing that with them here daily that issue of there's going
4 to be a fun time, hopefully, some day soon that we will see a
5 facility here that we can show you the culture of the Southwest
6 Prince William Sound, the Chenega Bay area.

7 CHAIRMAN TILLERY: Okay, Ms. Evanoff, we are
8 going to have to move on. Could you wrap up your comments? I
9 very much appreciate them, but we got several other people who
10 wish to comment.

11 MS. EVANOFF: Yes, I will, thank you. It's to
12 that end that Chenega Village Council participated in the
13 Resolution 97-05 under the PR (indiscernible). We very
14 strongly support that, we would like the opportunity to talk to
15 the Trustee Council or representatives thereof in a meeting
16 later on this month. We ask that you don't make a decision
17 regarding the resolution that was proposed by Molly.

18 The other issue, very quickly, is that it just really a
19 question to Molly regarding the 10 year anniversary where it
20 addresses subsistence in the outline there. Molly, do you
21 propose on coming to the communities and having them help you
22 develop some sort of response in the area of subsistence in the
23 oil spill?

24 CHAIRMAN TILLERY: Okay. Molly -- any Council
25 members have questions or comments can get to them, but let's

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1 -- perhaps, Molly, if you can start off by answering that
2 question.

3 MS. McCAMMON: Mr. Chairman. Just real
4 quickly, Gail, what we would do is work with the facilitators
5 on that to -- with the various agencies working on subsistence
6 and with the facilitators.

7 CHAIRMAN TILLERY: Okay, are there Council
8 members that have any questions or comments here in Juneau?
9 Mr. Wolfe.

10 MR. WOLFE: Ms. Evanoff, the strong support
11 from the Chenega folks for a local repositories is coming
12 across very loud and very clear, but we also heard earlier
13 about the costs associated with running a repository. Was that
14 a part of your consideration for this support for the local
15 repository?

16 MS. EVANOFF: Absolutely.

17 MR. WOLFE: Okay.

18 MS. EVANOFF: And then that does open a lot of
19 doors as to what is a repository? What is it that we, as the
20 Native villages, that have seen artifacts removed want to see
21 in a repository or a facility. I am asking that we be given a
22 chance where we could sit down and develop, finally, what it is
23 that we see as a holding place in our community. What's it
24 called and work with you on every aspect of management and all
25 the issues that was raised by the gentleman from the University

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1 of Alaska, Mr. Williams (sic).

2 CHAIRMAN TILLERY: Okay, thank you. Are there
3 other questions or comments from Council members here in
4 Juneau?

5 (No audible responses)

6 CHAIRMAN TILLERY: Ms. Williams, do you have
7 any questions or comments for Ms. Evanoff?

8 MS. D. WILLIAMS: No, Mr. Wolfe asked the
9 question that I was planning on asking.

10 CHAIRMAN TILLERY: Okay. All right, thank you
11 very much Ms. Evanoff. Are there other people in Chenega who
12 would like to say something at this time?

13 MS. EVANOFF: Mr. Chairman, I'm the only one on
14 teleconference. Thank you very much for hearing me.

15 CHAIRMAN TILLERY: Well, thank you very much
16 and we certainly appreciate the documentation that the Chenega
17 IRA Council has sent in.

18 MS. D. WILLIAMS: Actually, Mr. Chairman, I
19 have a question that might go back to Mr. Lewis, if Mr. Lewis
20 is still in Fairbanks and then before Ms. Evanoff leaves the
21 microphone perhaps she can reply to, too.

22 Is Mr. Lewis still in Fairbanks?

23 MR. LEWIS: Yes, I'm still here.

24 (Commissioner Rue departs, Claudia Slater sits
25 in - 11:30 a.m.)

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1 MS. D. WILLIAMS: Fine. Going back to the
2 notion of the traveling exhibits, are there any restrictions on
3 how long those can be in a community? For example, could a
4 traveling exhibit be in, say, Chenega for the three months of
5 the summer for tourism purposes and three months during the
6 school year for educational and cultural purposes and then come
7 back for, you know, if there were to be a central repository
8 for any handling, treatment, and so forth?

9 MR. LEWIS: As long as traveling exhibits -- a
10 lot of people differ from institution from institution, but
11 here at the University Museum we generally make our loan for
12 one year and at the end of one year they are reevaluated and
13 the institution that has received the loan is given an
14 opportunity to renew it or return it at that time. So it's
15 negotiated between the museum and the receiving institution.

16 MS. D. WILLIAMS: And then, Ms. Evanoff, with
17 that in mind, could you comment on the possibility of a very
18 long-term loan of materials and a close working relationship
19 with a regional repository so that new materials could be sent
20 to a regional repository, new materials that your community
21 finds is sent to a repository for documenting everything out,
22 but then could be loaned back in long-term rotating exhibits?

23 MS. EVANOFF: My response to that is I think
24 anything could be worked out, but if we're not talking
25 long-term, let's just make them permanent here where they

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1 belong. The issue of training and management, I've long
2 discussions with the Park Service and museums at to the kinds
3 of training -- we're trainable, we can do what the museums are
4 doing.

5 CHAIRMAN TILLERY: Okay, thank you. Are there
6 -- Ms. Williams, do you have any more questions?

7 MS. D. WILLIAMS: Maybe one last question for
8 Mr. Lewis. I don't think the issue is training, I think the
9 issue is, you know, in some of the facilities that are
10 necessary to, you know, be classified as a repository,
11 temperature control and other things. Mr. Lewis, could you
12 just describe some of the physical requirements?

13 MR. LEWIS: The physical requirements for
14 federal collections addresses long-term care and conservation
15 of the collection. In terms of the physical environment we
16 maintain the facilities here at plus or minus one degree
17 Fahrenheit and 10 percent relative humidity. We also have a
18 very complicated security system that restricts access to the
19 collection to those who are authorized and everyone else is
20 actually physically kept away from the collection. Those are
21 the two primary areas.

22 A collection that has organic materials in it requires
23 stabilization to make sure that the objects don't rub against
24 each other and become abraded or broken as well as protection
25 from changes in temperature and humidity over the long term.

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1 They also require ongoing conservation in order to maintain
2 their integrity over time. And it requires people trained in
3 conservation in the various materials that might be found in
4 the collection.

5 So having a collection go out on what we would term a
6 short-term loan, which would be a year or less, giving us the
7 opportunity to maintain the collection as it comes back from
8 those loans into what would be a less than ideal, under
9 conservation terms, environment out in the loan situation.

10 CHAIRMAN TILLERY: Okay. Thank you, Mr. Lewis.
11 Mr. Pennoyer.

12 MR. PENNOYER: Yes, Mr. Chairman, thank you.
13 So, Mr. Lewis, even on traveling exhibits, so to speak, and
14 loans, you judge whether it's appropriate to make the loan
15 based on the quality of the care to be given it. So a
16 repository may require certain staff to analyze exhibits and so
17 forth, but even on loan the physical requirements under which
18 the collection would be maintained are something you're going
19 to look at before you make the loan; is that correct?

20 MR. LEWIS: That's certainly correct. We have
21 to be assured that there is a reasonable amount of security,
22 that objects won't be lost or stolen. We have to make sure
23 that it's in a building that's heated in the wintertime, for
24 example, and where there's a -- something in terms of a
25 comfortable office building or home would certainly be

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1 satisfactory. And also the receiving institution needs to have
2 some form of insurance in case part of the collection is lost
3 or stolen, it needs to be covered by insurance while it's away
4 from here.

5 CHAIRMAN TILLERY: Okay, thank you.

6 Mr. Pennoyer.

7 MR. PENNOYER: One follow-up then, maybe for
8 Ms. McCammon. So in terms of looking at various proposals, are
9 all of these things being spelled out well to those making the
10 proposals or are we still at the stage of not scoping that out
11 very much?

12 MS. McCAMMON: Mr. Chairman, we did have a
13 lengthy workshop where we had present the University of Alaska-
14 Fairbanks Museum, we had the Valdez Museum, the Pratt Museum,
15 the Cordova Museum, we had the communities involved in that.
16 We had Chugachmiut who has been working with the communities on
17 this issue. All of those folks were present. We went into
18 great detail on all of these issues, the various requirements,
19 the various cost factors involved. So, yes, they have been
20 fully explored at a number of workshops with all of the
21 communities present.

22 MR. PENNOYER: Mr. Chairman.

23 CHAIRMAN TILLERY: Mr. Pennoyer.

24 MR. PENNOYER: Ms. Evanoff is making the point
25 that these are artifacts that would have been left in the

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1 ground if they had had their way, and obviously not treated any
2 way except being left alone. And they've been basically, at
3 least, in her case the spill actions on cleanup have disturbed
4 them in some fashion. And so they've entered into a stream,
5 shall we say, of use that they would not have if the spill had
6 occurred, right? I guess I'm having a hard time understanding
7 what the costs would be in local repositories versus local
8 traveling display areas, and I don't -- we'll leave that for
9 Board discussion on the proposal, but I'm still not exactly
10 sure what the differences are except for perhaps hiring
11 permanent staff to do the analysis and have a permanent
12 archaeologist on the staff and that type of thing.

13 MS. McCAMMON: Mr. Chairman, I think there's
14 also a difference in the construction costs because the quality
15 of construction and the kinds of security and the kinds of heat
16 and back up and things like that have a higher level of
17 requirement.

18 MR. PENNOYER: Okay, Mr. Chairman, I guess I
19 did understand that, but it still sounds like there's a
20 reasonable high -- if somebody is going to loan out a
21 collection from the repository that meets all these
22 qualifications, they're not going to want to go in a situation
23 when in even a year this collection could deteriorate or
24 something else can happen to it, so there still is a reasonable
25 high standard -- I'm not sure all the proposals have taken that

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1 into account, but I'd have to look at it some more. I
2 apologized for not being as up on that as I should be perhaps
3 but this still seems to be -- Mr. Lewis said there's a fairly
4 high standard, otherwise why have the repository in the first
5 place with all those requirements if your loan is going to be
6 in an environment in which the collection could be -- could
7 deteriorate.

8 Thank you.

9 CHAIRMAN TILLERY: Okay, thank you. Is there
10 anything else, Ms. Williams, or shall we move on?

11 MS. D. WILLIAMS: Nothing else from here right
12 now.

13 CHAIRMAN TILLERY: Okay, thank you.

14 Ms. Brodie, do you have any comments you'd like to
15 make?

16 MS. BRODIE:Brodie in Homer. I have two
17 things. First, I would like to thank the Trustee Council and
18 your staff for the good work that you're doing in negotiating
19 with Afognak Joint Venture. I'm feeling encouraged about how
20 that's going and I really appreciate the effort as do the other
21 environmentalists I represent.

22 The second thing I wanted to talk about, and this is on
23 behalf of the Alaska Rain Forest Campaign, is the Leisnoi land
24 in Chiniak. I understand that the Kodiak Island Borough has
25 volunteered to be a sponsor for this land if the Trustee

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1 Council were to purchase it. And we would like to encourage
2 the Trustee Council to move ahead in the process and appraise
3 the land. I understand, of course, that this is coming in late
4 in the process and I've heard that the asking price -- someone
5 said it would be a lot of money, although I don't know what it
6 is, but I also understand that it doesn't necessarily need to
7 be a full package, that there could be a -- possibly a small
8 part or some combination of forested land and logged lands. So
9 at this point we just want to encourage the Trustee Council to
10 look at it and see what's there to see, what the face value
11 would be before any decisions were made.

12 Thank you.

13 CHAIRMAN TILLERY: Okay, thank you. Are there
14 any questions for Ms. Brodie or comments by Council Members?

15 (No audible responses)

16 CHAIRMAN TILLERY: Okay, thank you very much.
17 We're going to move to Anchorage now and then we'll go back and
18 see if anybody's joined us in the other areas. According to
19 the sheet, I have two people who wish to comment, the first one
20 is Laura Johnson.

21 MS. D. WILLIAMS: Ms. Johnson is sitting at the
22 table ready to testify.

23 CHAIRMAN TILLERY: Okay, please go ahead then.

24 MS. JOHNSON: Can you hear me there?

25 CHAIRMAN TILLERY: Yes.

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1 MS. JOHNSON: Hello, my name is Laura Johnson
2 and I am currently employed at Chugachmiut in the Cultural and
3 Archaeological Program there. I guess I should just make two
4 different comments. The first is to remind everyone who I am,
5 again, that I have worked on the Comprehensive Community Plan
6 and so I'm very familiar with the issue and can answer any kind
7 of question anyone might have about different positions,
8 because there is a lot of the requirements for repositories
9 versus displays, all those type of things are presented in the
10 Comprehensive Community Plan, so anyone who hasn't had a chance
11 to look at it as of yet, I really highly recommend that you
12 take a look at it.

13 Today, I would just simply like to respond a memo that
14 was sent from Molly McCammon to the Trustee Council members
15 regarding archaeological repositories and that if I can just
16 briefly read the letter. Molly, I hope you got a copy of it
17 this morning here before the meeting. That -- I'll just go
18 ahead a read it real quickly here so we can move on.

19 I'm writing regarding your memo to the Trustee Council
20 members dated September 29th and the attached draft resolution
21 which proposes a new scenario for archaeological restoration.
22 I'm looking forward to hearing more during the Trustee Council
23 meeting on October 3rd, in particular, the Trustees' views on
24 the various items outlined in the draft resolution.

25 I would like to echo your recommendation that the

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1 Trustees limit their actions at this meeting to discussion of
2 the draft resolution including an indication of their
3 willingness to support the items included in the new scenario.
4 I also recommend the communities be given the opportunity to
5 discuss this draft resolution within each community
6 reflectively before any Trustee decision is made.

7 I'm more than willing to work with Hugh Short and
8 others -- Hugh Short, who is the new Community Involvement
9 Coordinator to facilitate a meeting for community involvement
10 facilitators and other tribal leaders to discuss the draft
11 resolution during the week of October 20th. Many of the tribal
12 leaders will likely be in Anchorage for other meetings and the
13 AFN convention at that time and I know that there is
14 considerable interest in finding an acceptable conclusion to
15 the repository issue. The topic could then be addressed again
16 during the next Trustee Council meeting in Anchorage, in
17 December, if that's actually where it is, and hopefully action
18 taken at that time.

19 I recommend these procedures be continued, the
20 cooperative effort to draft a scenario for the archaeological
21 restoration that is acceptable both to the Trustee Council and
22 the Native communities of Prince William Sound and Lower Cook
23 Inlet.

24 That's the end of my comments. I'm happy to see that
25 this is moving forward and that there is an opportunity to

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1 discuss it further. Thank you.

2 CHAIRMAN TILLERY: Okay, thank you. Are there
3 questions of Council members or comments on Ms. Johnson's
4 statement?

5 (No audible responses)

6 CHAIRMAN TILLERY: Ms. Williams, you have
7 anything?

8 MS. D. WILLIAMS: Yes, Mr. Chairman. Clearly,
9 Laura, I think what one of the items that we are reviewing
10 closely is the question of the full blown local repository in
11 each community versus meaningful longish-term traveling
12 exhibits in each community. I certainly can speak for myself
13 that, and there are several critical restoration values that
14 we're trying to achieve, and one of them is to make sure that
15 the communities have access to these materials in a meaningful
16 way. The other, of course, is to protect and preserve these
17 materials. And the third is to encourage community members to
18 protect and preserve additional materials

19 And so the question is how do we go about doing that in
20 an appropriate but, nonetheless, cost effective way? And we
21 obviously must be mindful of being cost effective while trying
22 to meet those three goals in an appropriate way. And so what I
23 am struggling with, as you can tell from my previous questions,
24 is, you know, full blown local repositories in each location
25 versus meaningful, you know, good traveling exhibits that would

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1 -- here, would rotate perhaps with as new materials come in and
2 go in and out of a repository, so they would all stay in the
3 region but go from a regional repository to the communities on
4 a positive basis. And they could, obviously, be there, you
5 know, all year, go back a year, new materials, new exhibits and
6 that would be helpful for the community, too, potentially to
7 have new and different materials going to the community.

8 I would just like your thoughts about a, you know,
9 meaningful -- if the communities would participate in, you
10 know, developing the local exhibits and working with local
11 exhibits, displaying the local exhibits. Your thoughts about
12 the pros and cons of this (indiscernible - lowers voice).

13 MS. JOHNSON: Yes, I guess what I would do is I
14 would take it back to the resolution or that draft resolution
15 which has three components, as I understood it. One, a
16 regional repository, second, local display facilities in each
17 community and then third, a road -- or a traveling exhibit type
18 program. And I guess I always come back to what I believe is
19 at the heart of the community, that you need a location in the
20 community where these can be displayed and so the facility
21 component in the community is a critical component there.

22 In terms of whether it's a display facility or
23 repository facility, I think that there's room for discussion
24 and that's why I'd like to see that come back to the
25 communities. I can, you know, speak on their behalf and say

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1 that this -- you know, that this is what they should do, I'd
2 like them to discuss it and that's why I'm suggesting a meeting
3 in October, the opportunities to look at the pros and cons of
4 display facility versus a full blown repository facility in
5 each community.

6 Also with the Comprehensive Plan, just to kind of
7 backtrack there, that when we went through the different
8 scenarios we looked at scenario one, which was local repository
9 facilities in each community but it was tied together through a
10 regional repository organization. The second scenario was
11 display and repository facilities in each community, again tied
12 to together in an organization. What's important there is I
13 think that there probably is flexibility in terms of what do we
14 call this building. What's important, I think, is that there
15 is a place in the community where the communities can enjoy the
16 artifacts, you know, that have been taken from the spill area,
17 this type of thing.

18 In terms of the mechanics of how to get the artifacts
19 back there, I think that that's something that can be worked
20 through. Again, in terms of short-term versus long-term,
21 obviously I would be looking towards longer term, you know,
22 displays, this type of thing. And what is it is that, again,
23 it's a matter of probably of what form the agreement comes in,
24 whether it's a display loan, whether it's MOA, whatever it is.
25 And, again, that's, in my mind, sort of a detail that can be

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1 worked out. That this -- my main focus is to continue to
2 support the communities, one, in getting the artifacts back to
3 the communities, and two, I can see the real need for having a
4 facility there that can accommodate a large range of types of
5 artifacts, so I guess in terms of the question of what the
6 standards for these facilities, it would be worthwhile to look
7 at what are the differences between standards for repositories
8 versus local displays.

9 In many cases I think it will be very similar. What I
10 think the difference is in the professional standards for local
11 staff, that type of thing, and display facilities may be able
12 to accommodate the things we need a little bit easier. I think
13 that the idea of looking at display facilities and then the
14 potential of upgrading these to, you know, repositories on a
15 community basis, is something that the community should, you
16 know, should consider. And I'd like to see them have the
17 opportunity sometime in October before a decision is made, you
18 know, on any kind of reclamation there, but I think that what I
19 see all of this as, is the continuation of that Comprehensive
20 Community Plan that we came up with scenarios during '95, I
21 guess it was, and put down what we had at the time. And as
22 time goes by and it's been more and more clear that one of the
23 key issues is the operation and maintenance. It's like this
24 one here, and it is something that needs be addressed.

25 And so we're moving another step because another way of

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1 looking at this, but again, I really just urge that the
2 communities be involved with this decision because it's
3 something that's really important to the communities and I
4 think it would take -- continue working together, we're going
5 to come up with a solution.

6 CHAIRMAN TILLERY: Okay. Thank you,
7 Ms. Johnson. Are there other questions or comments from
8 Council members at this time?

9 (No audible responses)

10 CHAIRMAN TILLERY: Okay, thank you very much.
11 I believe we have Mr. Schoen, John Schoen, in Anchorage that
12 wishes to testify. And after that we'll check and see if
13 there's anybody else in Anchorage and then we're going to go to
14 Cordova where I believe Mr. Henrich is on line, so,
15 Mr. Schoen.

16 MR. SCHOEN: Hello, my name is John Schoen,
17 it's spelled S-c-h-o-e-n, I'm the Executive Director of the
18 Alaska Office of National Audubon Society. On behalf of Alaska
19 Audubon Society I thank you for the opportunity to address the
20 Trustee Council regarding its decision about acquiring small
21 parcels nominated on the Homer Spit and Beluga Slough. Alaska
22 Audubon strongly supports these important acquisitions. Other
23 supporting groups include the city of Homer, Kenai Peninsula
24 Borough, Trust for Public Lands and the Kachemak Heritage Land
25 Trust.

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1 The Trustee Council's charge was to restore resources
2 and services injured in the oil spill. Although most of the
3 oil ended up on tidelands, we have been able to do relatively
4 little acquisition work in these areas to restore those
5 ecological communities. Because most tideland areas are
6 already in state ownership the Trustee Council's habitat
7 protection efforts have appropriately focused on adjacent
8 uplands. However, the Homer parcels at (indiscernible - cough)
9 and Beluga Slough offer an outstanding opportunity because
10 they're privately owned tidelands and are threatened with
11 development. Many of the valuable tidelands in the Homer area
12 have been filled and converted to other uses.

13 In Homer the Trustee Council has a unique opportunity
14 to acquire and protect tidelands which are home to an
15 intertidal community that was a resource injured by the oil
16 spill. Additionally, recreation was a service that was
17 significantly injured by the spill. The small parcels
18 nominated at Homer are very important for the thousands of
19 recreational bird watchers and others visiting or living in
20 Homer each year.

21 The Beluga Slough and Homer Spit, though relatively
22 small parcels, are important links in the much larger and
23 important intertidal ecosystem of the Kachemak Bay critical
24 habitat area. We have previously described in our
25 correspondence to the Trustees the diversity of resources

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1 contained in these parcels, which include shorebirds, water
2 birds, marine mammals, fish and marine invertebrates. The
3 intertidal habitat represented by these small parcels plays an
4 important role in maintaining this diversity and abundance.
5 They are also right in the heart of Homer's recreational use.

6 In conclusion, acquisition of these small parcels
7 represents an outstanding opportunity for the Trustee Council
8 to protect tidelands and their associated fish and wildlife
9 resources or critters. This site is also highly visible and
10 used by thousands of people. This is a win/win situation for
11 conservation, recreation, the Homer community and EVOS Council.
12 Audubon strongly recommends you take positive action and
13 acquire both of these parcels.

14 I'd just like to mention an aside, that I also
15 appreciate the good work that the Trustee Council is doing on
16 the Afognak lands issue, that's great. And finally, I'd just
17 like to thank you for the opportunity to address the Council,
18 you're doing a great job for Alaska conservation.

19 CHAIRMAN TILLERY: Thank you very much. Are
20 there questions or comments from Council members here in Juneau
21 for Mr. Schoen?

22 (No audible responses)

23 CHAIRMAN TILLERY: Are there questions or
24 comments from Anchorage? And I believe, Deborah, that you have
25 been joined by Claudia Slater who's representing Frank Rue for

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1 the moment. So do either of you have questions or comments for
2 Mr. Schoen?

3 MS. D. WILLIAMS: Claudia, you get to be a
4 Trustee Council member, you have to move to the table.

5 I don't know whether John can answer this or whether
6 we're going to have the Mayor or some official from Homer speak
7 to this, but where are we in terms of contributions from
8 outside parties to help pay for this acquisition? And other
9 related commitments for contributions?

10 CHAIRMAN TILLERY: Okay. Ms. McCammon should
11 be able to address that.

12 MS. McCAMMON: Mr. Chairman, the Mayor was
13 supposed to be on the teleconference today. Unfortunately the
14 person who works at the Legislative Information Office didn't
15 show up, so we're trying to get him to dial in directly. And
16 until he does that I can answer the questions. We have had
17 extensive discussions with the Mayor about some of the issues
18 concerning the city's contribution.

19 The city has indicated their willingness to contribute
20 \$41,000 to the overall package, the Homer Spit parcels and
21 Beluga Slough. In addition they have agreed or have indicated,
22 and this is subject to final Council action, but he as
23 discussed this with the Council already, and they have
24 indicated support in having federal and state conservation
25 easements placed on the city land which is on both sides of the

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1 Mud Bay/Homer Spit parcels. And I think the total amount of
2 acreage is approximately 40 acres or so there. So with that,
3 plus the acreage involved, you're looking at substantial
4 protection on both sides of the Spit. And then which is also
5 immediately adjacent to the state critical habitat area. So it
6 ensures that a large portion of the Spit would stay protected
7 in perpetuity.

8 CHAIRMAN TILLERY: Okay, thank you. Did that
9 answer your question?

10 MS. D. WILLIAMS: I hope we can get the Mayor
11 on the phone, so I hope we're making every effort to do so.

12 CHAIRMAN TILLERY: Yeah. Apparently.....

13 MR. CUSHING: Molly, can you hear me? This is
14 the Mayor of Homer and I'm on a different line.

15 MS. McCAMMON: This is the Mayor.

16 MS. D. WILLIAMS: Okay.

17 MS. McCAMMON: There he is.

18 CHAIRMAN TILLERY: Okay. Now, we will be
19 bringing this up this afternoon but perhaps you could go ahead
20 and -- did you hear Ms. Williams' questions?

21 MR. CUSHING: Yes, I did. This is Jack
22 Cushing, we were waiting our turn when it came back to Homer.
23 The Legislative Office was closed so we just came over to the
24 Mayor's office and came in the bridge and we've been listening
25 to the entire teleconference so far.

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1 But to answer -- Molly answered very well Deborah's
2 questions. What we've done, we do have the \$41,000 committed
3 in this budget cycle for the Beluga Slough parcel, to make up
4 for some land actions that we did in previous years in the
5 Beluga Lake area. And we are ready to go ahead with the
6 easements as necessary on the Spit parcels.

7 CHAIRMAN TILLERY: Okay, thank you.

8 Mr. Pennoyer.

9 MR. PENNOYER: Mr. Chairman, as we get to this,
10 as a refresher, I would hope staff has detailed maps to show us
11 with which parts actually get additional protection versus what
12 we had, versus what other parcels that aren't protected are
13 that are in public land. I'd just like to see the general
14 mosaic one more time.

15 CHAIRMAN TILLERY: And I -- Molly was nodding

16 yes.

17 MS. McCAMMON: Yes.

18 CHAIRMAN TILLERY: And I assume those will also
19 be available in Anchorage, is that true?

20 MS. McCAMMON: Yes.

21 CHAIRMAN TILLERY: Okay, good. Okay, thank
22 you. Are there other questions of Council members here in
23 Juneau either for Mr. Schoen or for Mayor Cushing?

24 (No audible responses)

25 CHAIRMAN TILLERY: How about in Anchorage, are

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1 there any questions or comments?

2 MS. D. WILLIAMS: One further question for the
3 Mayor. I know that we were -- or you were hoping to get some
4 private contributions, any progress in that regard?

5 MR. CUSHING: I've met with the Ducks Unlimited
6 folks and they said more what I expected from Ducks Unlimited.
7 They're into the mitigation and restoration and they -- and
8 they said they don't get into acquisition themselves. They
9 offered up their services on restoration and mitigation type
10 input, both on these parcels and on the tidal flushing project
11 that we have going under the -- with EVOS under the Restoration
12 Program.

13 MS. D. WILLIAMS: Okay. Mr. Chairman, I think
14 I have just one last question.

15 CHAIRMAN TILLERY: Okay.

16 MS. D. WILLIAMS: Actually I'll let the Mayor
17 answer this and then we'll see if Mr. Schoen has any comment.
18 How would you plan on managing the two large tracts if we
19 purchase them and you receive the management authority?

20 MR. CUSHING: What we've done to prepare for
21 this is last fall we put in a new zoning district within our
22 Zoning Plan, it's a conservation district that has -- it has --
23 it's outright permanent uses are for wildlife management and
24 the conditional uses are for boardwalks and interpedis (sic)
25 areas.

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1 We would do a comprehensive rezone of the entire base
2 of the Spit to recognize the new land that we acquired as well
3 the city lands and we would talk to the state because they have
4 some lands in this area, too, to put an end to this
5 conservation district.

6 CHAIRMAN TILLERY: Okay, thank you.
7 Ms. Williams.

8 MS. D. WILLIAMS: That's fine then. If
9 Mr. Schoen would like to comment on whether that is the
10 representative the conservation community was hoping for, that
11 would be great.

12 CHAIRMAN TILLERY: Mr. Schoen, do you have a
13 comment?

14 MR. SCHOEN: Yes, I think that that's an
15 outstanding proposal, we stand firmly behind that.

16 CHAIRMAN TILLERY: Okay.

17 MR. CUSHING: To further answer that, Deborah,
18 we would be -- this would just be the starting point, of
19 course, and we would be taking that land in terms of day-to-day
20 management and working with our community down here we -- a
21 couple of years ago, under initiation by the city of Homer we
22 put -- we joined the Western Shorebird Research Network which
23 is the Western Hemisphere Fly Away Program, as well as we're --
24 these parcels are also included in the National Estuarine
25 Research Reserve that the city of Homer initiated getting the

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1 Kachemak Bay area into. So there would be a lot of players
2 that we would be bringing together and this would just be a
3 very key and vital part of which the city would be ownership,
4 but a participating member.

5 CHAIRMAN TILLERY: Okay. Thank you. Are there
6 any other questions or comments from Juneau?

7 (No audible responses)

8 CHAIRMAN TILLERY: Okay, what I'd like to do is
9 see if there's anybody else in Anchorage that would like to
10 testify, have a comment. We are running a little bit late and
11 would like to ask that people keep their comments limited to
12 about, say, three minutes. Is there anyone else in Anchorage
13 that would like to make a statement at this time?

14 MS. D. WILLIAMS: It does not appear so.

15 CHAIRMAN TILLERY: Okay, thank you very much.

16 Mr. Hendricks (sic), are you in Cordova?

17 MR. HENRICH: Yeah, I'm here.

18 CHAIRMAN TILLERY: Do you have -- I understand
19 that you have -- would like to make a statement.

20 MR. HENRICH: Yes, I would.

21 CHAIRMAN TILLERY: Okay, thank you. And if you
22 could, again, kind of try to limit it, we are running a little
23 bit late.

24 MR. HENRICH: Yeah, my name is Robert
25 Henrich, I'm President of the Traditional Council of the

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1 Native Village of Eyak. I'd like to thank you for the
2 opportunity to speak. I would like to say again that we
3 support local repositories and always have. We represent the
4 members of our tribe who live in Eyak/Cordova area and at the
5 time we have 550. I will remind the Trustees that no one
6 speaks for our tribe but our Tribal Council, corporations do
7 not speak for us. They are merely a state chartered
8 corporation with shareholders.

9 And like I've been saying -- I should be out deer
10 hunting today, it's a nice day, but I felt this was important
11 so I stayed in. And I'll repeat that, we support local
12 repositories.

13 That's all I have to say, does anybody got any
14 questions?

15 CHAIRMAN TILLERY: Thank you for your comments
16 and we appreciate your time and I know it's precious, it's sort
17 of the end of the summer here. Are there any comments from the
18 people in Juneau or questions?

19 (No audible responses)

20 CHAIRMAN TILLERY: How about from Anchorage,
21 Deborah or Claudia.

22 MS. D. WILLIAMS: Actually I do have one and
23 this may require Laura coming back to the microphone if
24 Mr. Henrich cannot respond to it. This is a question that was
25 passed to me by someone else here which I think is worthy

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1 asking. And that is the question of how clear -- if you find
2 an artifacts location, let's say, halfway between Port Graham
3 and Nanwalek or halfway between Eyak and Tatitlek or, you know,
4 halfway between Eyak and Chenega Bay, how clear to which
5 community they would most appropriately go to?

6 MR. HENRICH: We've always been able to work
7 together and people here are descendants from the people who
8 occupied the Prince William Sound area and areas east, but they
9 live here now and we have a common ancestry with a lot of these
10 and I don't think there would be any problems for who exactly
11 owned them, I think they would be shared, as we always have.

12 CHAIRMAN TILLERY: Okay, thank you. Are there
13 other questions or comments by Council members?

14 MS. D. WILLIAMS: Actually, Mr. Chairman, Laura
15 did come to the microphone to give response on that question.

16 CHAIRMAN TILLERY: Okay, thank you.
17 Ms. Johnson, and again, if you could try to restrict it to just
18 a few minutes that would be helpful.

19 MS. JOHNSON: Okay, I'll keep it really brief.
20 With Chugachmiut that -- we see that type of question different
21 times, both with artifacts but also (indiscernible - noise) and
22 what it is, is among the group -- among the various tribes we
23 try to just work it out and it's like some artifacts actually
24 located with more than one community. They may be more clearly
25 connected with two or three, but generally when it is their

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1 decedents in many of the communities that are tied to these, so
2 we try to look at, you know, the overall picture and it's a
3 matter of negotiation among the tribes and we seemed to manage
4 pretty well with that.

5 CHAIRMAN TILLERY: Okay, thank you. Is there
6 any other -- are there any responses or comments?

7 (No audible responses)

8 CHAIRMAN TILLERY: Okay, what I'd like to do is
9 just go around to the various sites one more time to make sure
10 someone else hasn't joined us. Well, first, I guess,
11 Mr. Henrich, is there anyone else in Cordova that wishes to say
12 anything?

13 MR. HENRICH: No, I'm calling from home because
14 there was nobody at the LIO office.

15 CHAIRMAN TILLERY: Okay, well, we certainly
16 appreciate your taking your time to do that today.

17 Is there anyone in Valdez who has joined us who would
18 like to make a statement?

19 MR. HUGHEY: Unfortunately -- yes, thank you.
20 Unfortunately Mr. Leahy has left, had to go back to the museum
21 there but I think rather than say anything today, I kind of
22 doing this job here and so I'd like to make some comments and
23 follow-up to this meeting today and work through the CIC, Hugh
24 Short, there in Anchorage. But this has been interesting and I
25 really do thank you for this opportunity, so that'll be all

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1 from Valdez.

2 CHAIRMAN TILLERY: Okay, thank you very much.
3 Is there anyone in Fairbanks that hasn't previously spoken who
4 would like to make a comment or.....

5 MR. LEWIS: No one new here.

6 CHAIRMAN TILLERY: Okay. How about in Chenega?

7 MS. EVANOFF: There is no one else here, but I
8 would like to say thank you for this opportunity to -- for me
9 to speak before the Council on this issue, appreciate that very
10 much.

11 CHAIRMAN TILLERY: Okay, thank you. And again,
12 we certainly appreciate on a good weather day like today.

13 Anybody in Homer?

14 MR. CUSHING: Yes, this is Jack Cushing again,
15 the Mayor. I'll just follow up very briefly. Barb Seaman was
16 here with the Kachemak Heritage Land Trust, she had to take off
17 to make her mail run across the bay. We came up from the LIO
18 office that was closed. I just want to thank you all for your
19 consideration in this. John Schoen of the Audubon Society said
20 it best from the technical standpoint and besides being in
21 conjunction with the Western Shorebird Research Network and the
22 National Estuarine Research Reserve, of course, it goes very
23 much together with the City of Homer Shorebird Festival, the
24 U.S. Fish and Wildlife Service, Alaska Maritime National
25 Wildlife Refuge Headquarters in Homer, and it's just going to

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1 be a very high visibility spot with over 100,000 visitors that
2 come through this area a year.

3 CHAIRMAN TILLERY: Okay, thank you, Mayor
4 Cushing. I anticipate that we will be taking this issue up
5 this afternoon around -- sometime between 1:00-1:30, something
6 like that. Are you going to be on line at that time?

7 MR. CUSHING: I can certainly come back on line
8 at that time.

9 CHAIRMAN TILLERY: Okay. I think it might be
10 helpful because there are very likely to be questions that come
11 up.

12 MR. CUSHING: Okay, great, I'll do that.

13 CHAIRMAN TILLERY: Okay, is there anyone else
14 in Homer?

15 MS. BRODIE: This is Pam Brodie. I will sign
16 off now and then for the afternoon session I'll go over to City
17 Hall, so that you don't need two different places in Homer,
18 save a little money, if that's okay with Mayor Cushing.

19 CHAIRMAN TILLERY: Thank you, we appreciate it.

20 MS. BRODIE: Thank you, bye-bye.

21 CHAIRMAN TILLERY: Okay, bye. All right. And
22 I guess, last, is there anyone else in Anchorage?

23 MS. D. WILLIAMS: No.

24 CHAIRMAN TILLERY: Okay, then the public
25 comment portion of this Trustee Council meeting is closed.

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1 The next item on the agenda was archaeological
2 restoration. I don't think we have time for that, we've
3 already gotten into quite of bit of that discussion. We'll
4 have to do that one after lunch, which is scheduled to be an
5 executive session. At this time, is there a motion?

6 MR. PENNOYER: I move to go to executive
7 session for purposes, I believe, of discussion of land
8 acquisition matters.

9 CHAIRMAN TILLERY: Is there a second?

10 MR. WOLFE: Second.

11 CHAIRMAN TILLERY: It has been moved and
12 seconded to move into executive session to discuss habitat
13 protection. All in favor?

14 IN UNISON: Aye.

15 CHAIRMAN TILLERY: Opposed?

16 (No opposing responses)

17 CHAIRMAN TILLERY: Okay, it is passed, the
18 public session is closed, we will hopefully rejoin public
19 session around 1:00 to 1:30, sometime in that time frame.

20 Thank you very much.

21 (Off record - 12:08 p.m.)

22 (On record - 1:15 p.m.)

23 CHAIRMAN TILLERY: If we could come to order
24 here. Jim.

25 MS. McCAMMON: Jim.

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1 CHAIRMAN TILLERY: Anchorage, are you on line?
2 Hello, Anchorage. Is anybody else on line?

3 MR. LEWIS: Mike Lewis here in Fairbanks.

4 CHAIRMAN TILLERY: Okay. Is Valdez there?

5 VALDEZ LIO: Valdez is on line, we have one at
6 this time.

7 CHAIRMAN TILLERY: Chenega?

8 (No audible responses)

9 CHAIRMAN TILLERY: How about Homer?

10 MR. MYERS: Mayor Cushing was due in his office
11 momentarily.

12 CHAIRMAN TILLERY: Okay, so Homer, I assume
13 will be calling in then. So we're still missing Anchorage or
14 is Anchorage on now?

15 (No audible responses)

16 MS. R. WILLIAMS: I'll go check.

17 CHAIRMAN TILLERY: Rebecca, could you call?

18 Okay, we'll hold up for just a second.

19 (Off record - 1:16 p.m.)

20 (On record - 1:21 p.m.)

21 CHAIRMAN TILLERY: Okay, thank you, Deborah.

22 And is Claudia with you?

23 MS. D. WILLIAMS: She is. Does she still need

24 to sit at the table?

25 CHAIRMAN TILLERY: She does not because

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1 Commissioner Rue just walked in the room.

2 MS. D. WILLIAMS: Okay.

3 CHAIRMAN TILLERY: We are back in session with
4 the Exxon Valdez Trustee Council meeting for October 3rd. We
5 had an executive session whereas described in the motion we
6 discussed habitation protection issues.

7 We got a little bit behind this morning and the agenda
8 indicates an archaeological restoration discussion and possible
9 action, it was supposed to be before the executive session. We
10 took up quite a bit of that during the public comment period.
11 We have several people on line specifically for the Homer Spit
12 thing and then we have Bob Storer coming in at 2:00 for a
13 discussion on the EVOS investments. What I would propose to do
14 is to move at this time to go ahead and do the Homer Spit
15 discussion and see if we have time then prior to the 2:00 p.m.
16 presentation to do archaeology and if we don't, then come back
17 to archaeology after we hear from Mr. Storer. If there's no
18 objection to that?

19 (No audible responses)

20 CHAIRMAN TILLERY: Okay. Then, Molly, who will
21 be presenting the Homer Spit?

22 MS. McCAMMON: Mr. Chairman, I'll start out
23 with it and then I would like to also have assistance from the
24 Department of Fish and Game and then it's my understanding that
25 Mayor Cushing will also be on line, if he isn't already. He'll

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1 be joining us momentarily.

2 If you recall the Trust for Public Lands has been
3 working with the city of Homer in their effort to ensure
4 long-term protection of Homer Spit and the adjacent Beluga
5 Slough, which are very important to the city of Homer for
6 recreation purposes and then also just for protecting the kinds
7 of intertidal habitat that are important to Kachemak Bay. They
8 came to us a number of months ago with several packages of
9 proposals that they were working on and asked if the Council
10 would be interested in contributing towards that protection
11 effort.

12 The three packages that they were putting together were
13 -- one of them called -- which they refer to as the Fishing
14 Hole parcels. And on this big map they're the little parcels
15 on -- I'm not even sure if that's north or south, but on the
16 outer side of the Spit. And the main purpose of acquisition of
17 those parcels was to basically stop the proliferation of the
18 tourist businesses that had been on that side of the Spit. The
19 restoration value, however, of these parcels was very low from
20 our perspective and we really haven't actively pursued that
21 package of parcels in this acquisition.

22 The two that we've been most interested in are, first
23 of all, this one called Mud Bay, and it's right in the middle
24 and it's -- there are a number of actual land owners with these
25 parcels, so it's not just one land owner and one parcel. And

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1 what the Trust for Public Lands has done is meet with the
2 individual land owners and actually obtain options to purchase
3 those parcels. The one exception is this -- the red right in
4 the middle and if you go down the Spit that is an in-holder,
5 they have been there -- well, they're all -- it's a private
6 holder who does not want to sell. They have been -- they've
7 owned the land for a long time, they've built a new house
8 recently and they're just not interested in selling at this
9 point.

10 But other than that one individual the were able to
11 obtain options on all of the lands surrounding it for a total
12 of 68.7 acres. In discussing with the city their plans for
13 protection of the Spit, if the Council were to commit to
14 protecting these lands, we asked if the city could provide some
15 assurances that the city owned lands on both side of these
16 parcels would also be protected in perpetuity and not just
17 until another city council came in or something like that. And
18 the city has indicated their willingness to be -- to have these
19 lands subject to state and federal conservation easements on
20 both sides.

21 This would involved the lands, and I'm sorry,
22 Anchorage, it's very difficult to point this out and I hope
23 someone there can -- if John Schoen is still there.

24 MR. MYERS: I think Deborah got a map.

25 MS. McCAMMON: Deborah, you should have the map

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1 there in front of you. But it's these lands right around here,
2 the other green lands are state tidelands, but these lands here
3 are city owned lands. And then these lands on the other side.
4 Now half of the lands on the -- I wish I knew what was north,
5 south, east and west, but.....

6 MR. PENNOYER: North probably.

7 MR. RUE: Inner part of the Spit.

8 MR. PENNOYER: Yeah.

9 MS. McCAMMON: The inner part of the Spit --
10 the lands towards the end of the Spit towards Land's End are
11 already in the process of being subject to a conservation
12 easement by the Kachemak Heritage Land Trust of about half of
13 that. And they have indicated it's going through some
14 platting, so it's almost complete at this point. The city has
15 indicated its willingness to have government conservation
16 easements basically layered on top of that.

17 I think there is a question, and I hope Mayor Cushing
18 is on the line about whether the city would agree to a
19 conservation easement for the other city lands, right below
20 that one section that they do have a conservation easement on.
21 And then they have agreed to a conservation easement on that
22 side.

23 CHAIRMAN TILLERY: I guess -- well, Mayor
24 Cushing, are you on line?

25 MS. McCAMMON: Not yet.

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1 MR. MYERS: I spoke to him just a few minutes
2 ago and he was in transit and I told him we were about to
3 start, so he's trying to get there as quickly as possible and
4 will be on line momentarily.

5 CHAIRMAN TILLERY: Okay, good.

6 MS. McCAMMON: But I think this is
7 approximately 26 acres, this is about 14 acres, so I think the
8 total between these two would be an additional 40 acres of
9 protection minimum, not counting this extra piece here. So
10 it's -- in terms of leveraging additional protection --
11 Mr. Pennoyer.

12 CHAIRMAN TILLERY: Mr. Pennoyer.

13 MR. PENNOYER: Mr. Chairman, so then the part
14 we're talking about is both sides of the road?

15 MS. McCAMMON: That's correct.

16 MR. PENNOYER: That narrow strip on the south
17 side as well as the part on the north side?

18 MS. McCAMMON: That's correct.

19 MR. RUE: That end.....

20 CHAIRMAN TILLERY: That is part of the parcels,
21 Frank.

22 MR. PENNOYER: Part of the parcel we're talking
23 about here?

24 MS. McCAMMON: Yes, right here

25 CHAIRMAN TILLERY: These parcels extend across

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1 the road, as I understand it.

2 MR. PENNOYER: Oh, I see, okay. It's not
3 separate.....

4 CHAIRMAN TILLERY: It's not a separate.....

5 MR. PENNOYER: Not a separate owner.....

6 CHAIRMAN TILLERY:they're not separate
7 parcels.

8 MR. PENNOYER: I got you, okay. And then
9 second question says, consistent in a manner -- and a lot of
10 this discussion of conservation easements maybe here or there,
11 including what's written in this document we've got here, what
12 does that say exactly? I mean, what is the conservation
13 easement form that this is in before we decide on.....

14 MS. McCAMMON: It would be basically a standard
15 type conservation easement that's been used in other
16 acquisitions which would prohibit development except for things
17 like interpretive displays, boardwalks for education and
18 interpretation and, Alex, since you write them, I don't know if
19 you want to.....

20 MR. SWIDERSKI: Well, this one -- this is Alex
21 Swiderski -- could conceivably be slightly different because
22 it's being held by a city, but there are a number of things
23 that are prohibited completely, such as the introduction of a
24 non-indigenous species, disposal of waste on the land, et
25 cetera. Most kinds of construction, commercial activities are

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1 prohibited. There are some structures on the lower ones that
2 we do that are allowed for purposes of either public safety or
3 protecting habitat. For example, we would -- lower easements
4 allowed for the construction of boardwalks and then the
5 properties.....

6 MR. PENNOYER: But things like fill would be
7 prohibited?

8 MR. SWIDERSKI: Yes.

9 CHAIRMAN TILLERY: That's altering the land.

10 MR. SWIDERSKI: Altering the topography of the
11 land is prohibited.

12 CHAIRMAN TILLERY: I would suspect this one
13 might be even somewhat tougher than our usual ones because it's
14 not -- usually there -- you can't do -- there are some things
15 you can't do at all, ever. There's some things you can't do
16 unless the managing agency agrees for one of these purposes,
17 and I would think with this one it might be pretty strict with
18 some very specific interpretive centers, boardwalks, those
19 kinds of things, but making clear that fill and those kinds of
20 things, even with permission of the managing agency wouldn't be
21 acceptable.

22 MR. PENNOYER: Follow-up question then of the
23 same type. So the other part of this is conservation easements
24 on adjacent property, which don't have an answer of how that is
25 just exactly yet, are those conservation easements the same as

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1 the conservation easements on the land we're talking about
2 purchasing? Or what form would they take.

3 MR. SWIDERSKI: Mr. Chairman, those -- that
4 easement differs somewhat but we will acquire a separate
5 easement for that same property.

6 MR. PENNOYER: For the city property you mean?

7 MR. SWIDERSKI: For the same city property,
8 that's correct. The city is conveying the property and an
9 easement on 26.4 acres to the Kachemak Bay Heritage Land Trust.
10 Separately they will convey an easement to the state of Alaska
11 and the United States and will track the kind of revisions we
12 just discussed.

13 MR. PENNOYER: So part of the purchase
14 agreement will then be that the easement on the adjacent lands
15 will track the type of easement we have on the land we
16 purchase?

17 MR. SWIDERSKI: Yes.

18 CHAIRMAN TILLERY: Is then -- I guess the
19 question is, while easements on the city lands track the Land
20 Trust easement, will it track our standard for an easement?

21 MR. SWIDERSKI: It will track our standard for
22 an easement.

23 CHAIRMAN TILLERY: Okay.

24 MR. SWIDERSKI: So we will have -- in effect,
25 we will an easement on the 26.4 acres held by conservation --

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1 the Kachemak Bay Heritage Land Trust that will be similar to
2 the easements we use on all of our acquisitions. We'll have an
3 easement on the 14 acres on the other side that is also similar
4 to the ones use and then an easement on the lands that the city
5 will acquire with these funds, assuming we adopt the
6 resolution.

7 MR. CUSHING: This is Mayor Cushing and I'm on
8 line.

9 CHAIRMAN TILLERY: Okay, Mayor Cushing, thank
10 you for joining us. Did you hear the last question and the
11 response?

12 MR. CUSHING: No, I didn't. I heard part of
13 the response but not the question.

14 CHAIRMAN TILLERY: Okay, the question was on
15 the sort of end of the Spit side of the land that is being
16 proposed for purchase, we understand that the city will be
17 giving Heritage Land Bank a conservation easement and will also
18 be giving a conservation easement to the state and the federal
19 government. And the question was whether that easement would
20 be similar, at least the one that went to the governments,
21 would be similar to the same easement that they will be
22 retaining on the part that it is proposed that they purchase?

23 MR. CUSHING: Okay. When you say the end of
24 the Spit, which side, the one toward the base of the Spit,
25 towards.....

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1 CHAIRMAN TILLERY: No, the one towards Land's

2 End.

3 MR. CUSHING: Okay, the one towards Land's End.

4 And so we're talking about Lot 6B?

5 CHAIRMAN TILLERY: It's not marked on our maps.

6 MR. MYERS: There are maps that describe more

7 particularly the.....

8 MR. SWIDERSKI: You are describing Lot 6B.

9 CHAIRMAN TILLERY: It is marked here, yeah, 6B,

10 it's marked on this one. So, right, 6B.

11 MR. CUSHING: Okay, presently on that we've
12 been working with the Land Trust and we are willing to do the
13 layered easement which would put it also in with the second
14 party with the state or the federal government, depending on
15 what you folks feel is best. Such that if the Land Trust ever
16 -- something ever happened to it, instead of going through the
17 courts and having that uncertainty, it would go directly to
18 this other party. And we'd be willing to do that on each of --
19 this easement as well as, of course, the purchased piece.

20 CHAIRMAN TILLERY: Okay. And.....

21 MR. PENNOYER: Each side.

22 CHAIRMAN TILLERY: Okay, each side. And that
23 will be in the form that sort of fits with the standard state
24 easements on these or federal easements on these kinds of
25 purchases?

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1 MR. CUSHING: Yes, we'd put it in the form
2 exactly as you folks would need to see it.

3 CHAIRMAN TILLERY: Okay. And, Molly, you had a
4 question, I think, about what was contained in 6B or.....

5 MS. McCAMMON: Mayor Cushing, the question is
6 what you've been doing it -- with Lot 6B is only a portion of
7 the city owned lands on that side of the parcel, of the Mud Bay
8 parcel, and would the city be acceptable to putting a
9 conservation easement on the additional city owned lands on
10 that side of the parcel?

11 MR. CUSHING: I've approached the Council
12 informally on that and they seemed very receptive to it. The
13 only -- to increase the size of that. The biggest issue we
14 have there is adjacent to the Spit Road all our utilities out
15 to the end of the Spit run on the inside of the road there, so
16 provided we left ourselves whatever we needed for utilities in
17 the future that would -- I've got a real good feedback from the
18 Council on that.

19 CHAIRMAN TILLERY: Okay.

20 MR. PENNOYER: So making the purchase sort of
21 contingent on that happening is not viewed as a barrier?

22 CHAIRMAN TILLERY: Okay. All right.
23 Mr. Pennoyer, did you -- did you hear Mr. Pennoyer statement?

24 MR. PENNOYER: I said making the purchase of
25 this land contingent on all this easement pieces that you've

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1 discussed worked out is not a barrier to the continuing?

2 CHAIRMAN TILLERY: Is that correct, Mayor

3 Cushing?

4 MR. CUSHING: I had trouble understanding that.

5 CHAIRMAN TILLERY: I guess what we're asking
6 is, typically if we were to approve this, our resolution would
7 make our approval contingent on these easements being in place
8 and is that -- that wouldn't present a problem for you, would
9 it?

10 MR. CUSHING: Just to increase some of that
11 easement over into 6A. The biggest problem with that would be
12 is we've just spent all of the couple of thousand dollars we
13 needed to do the resurvey to get it going under the easement
14 that we did on our free will with the 6B. I think it would be
15 whatever you need to see on the base side of the Spit to make
16 this work. I've approached that. I'm wondering just on the 6A
17 if I'm going to -- I just -- and I would certainly myself, as
18 Mayor, I would not mind it at all, I know that it just starts
19 -- that it gets very comprehensive. We certainly planned to
20 put it into conservation zoning districts is a matter -- when
21 we did -- last year when we did have the discussion of Lot 6B
22 and Lot 6A and the size of it -- it started out as five acres,
23 Lot 6B was going to be five acres and I pretty much was
24 championing it to go to the 26 acres it is now. Some of the
25 argument that came up at the time, with a very different

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1 Council -- keep in mind a very -- a more conservative Council,
2 from the standpoint of not wanting to tie hands of future
3 growth kind of thing. I was able to get it to the 26 acres
4 with them. There's a much more -- the Council that has been
5 voted in since then is very much more amenable to all the
6 issues, as we're approaching with you now, in terms of putting
7 more lands into easements, so I'd be opening up a whole -- I'd
8 be opening up a discussion that we just concluded a year ago,
9 is all on that.

10 CHAIRMAN TILLERY: Okay, I think we understand
11 it. Molly, did you want.....

12 MS. McCAMMON: I just wanted to clarify that
13 that was Lot 6A that we were talking about, 19.07 acres,
14 so.....

15 MR. PENNOYER: Mr. Chairman.

16 MR. CUSHING: I thought that was. And the
17 biggest thing that came -- well, everybody was concerned about
18 on the lot, 6A, was that we needed to -- if our conservation
19 zoning districts were not -- really don't have provisions for
20 parking in there, we just wanted to, at least, be able have
21 some provisions for parking right off the state highway, such
22 that we could at least get people to these lands.

23 CHAIRMAN TILLERY: Okay, so for 6A your main
24 concerns would be parking and utilities?

25 MR. CUSHING: Those were the primary concerns

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1 that were brought up with the Council a year ago, yes.

2 CHAIRMAN TILLERY: Okay. Mr. Pennoyer or did
3 you.....

4 MR. PENNOYER: Mr. Chairman, that's fine. I
5 was going to ask that before we go on to Beluga Slough we act
6 on this one, if we can. And Mr. Wolfe may have another
7 question on that.

8 CHAIRMAN TILLERY: Mr. Wolfe.

9 MR. WOLFE: To me the proposed management, we
10 brushed over that briefly and we talked about visitor centers
11 and I had visions of a major visitor center with boardwalks
12 going everywhere, could use up the 60 acres right quick like,
13 so we're not proposing that we're going to have any major
14 visitor centers out there or a significant percentage of the
15 area would be impacted by a visitor center and boardwalks,
16 would we?

17 CHAIRMAN TILLERY: My understanding, and, Mayor
18 Cushing, correct me if I'm wrong on this, is what's envisioned
19 is essentially maybe a boardwalk and an interpretive display
20 which wouldn't be any kind of a building really but would be
21 like signage and stuff, that sort of thing; is that correct?

22 MR. WOLFE: Okay, so that would.....

23 MR. CUSHING: Precisely, yes.

24 MR. WOLFE: And I had one other thought. Is
25 most of our deals of any magnitude that -- especially areas

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1 such as this, are we looking at some kind of a reversion if
2 it's not managed similar to what we use in some of our bigger
3 deals?

4 CHAIRMAN TILLERY: We haven't been doing that.
5 What we've been doing is just using the conservation easement
6 as the.....

7 MS. McCAMMON: Enforcement.

8 CHAIRMAN TILLERY:enforcement tool. And
9 that seems to be satisfactory to -- I mean I think we've worked
10 these out where people are pretty comfortable with that being
11 the hammer.

12 MS. McCAMMON: But it would have dual.....

13 CHAIRMAN TILLERY: It's going to have three of
14 them.

15 MS. McCAMMON:conservation easements.....

16 CHAIRMAN TILLERY: Or two of them.

17 MS. McCAMMON:it will have city and
18 federal.

19 CHAIRMAN TILLERY: And a zoning change and, I
20 mean, it's going to have -- it's going to be the most
21 protective piece of land we'll ever buy, frankly.

22 MR. RUE: Mr. Chairman, on that point. This is
23 Frank Rue. We're not buying this at all, the city is donating
24 it, which is sort of an unusual -- we haven't, I'm not sure I
25 remember any other.....

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1 MR. WOLFE: Then we don't to worry about the
2 money then.
3 MS. FAY: No, the conservation.....
4 MR. RUE: The conservation easement part
5 is.....
6 MS. McCAMMON: The conservation easements.
7 MR. WOLFE: Okay.
8 CHAIRMAN TILLERY: Right, yeah.
9 MR. RUE: And I really think the city has gone
10 a long way and I have seen -- I don't remember seeing this.....
11 MR. WOLFE: Mr. Chair, I'm not talking about
12 the parcel where they're donating the easement, I'm talking
13 about the parcel where we're buying \$400,000 worth.
14 MR. RUE: Buying right. Okay, I got you.
15 MR. WOLFE: Yeah.
16 CHAIRMAN TILLERY: Which we will retain a
17 conservation easement on.
18 MR. RUE: Got you.
19 MR. WOLFE: Yeah.
20 MR. RUE: All right.
21 MS. D. WILLIAMS: Mr. Chairman, with respect to
22 what we may be buying, is the conservation easement or
23 potential agreement with the city such that the city could put
24 a parking lot on the property that we're buying?
25 MR. SWIDERSKI: Certainly that would depend on

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1 how we craft the easement. There has been -- no one has come
2 to us, as far as I know, and discussed putting a parking lot on
3 the property that we're buying.

4 CHAIRMAN TILLERY: But Mayor Cushing's
5 reference was to 6A, as I recall.

6 MR. RUE: Yeah, the city owned.

7 MS. D. WILLIAMS: I understand that, but I'm
8 just trying to find out about the property that we're
9 potentially buying, do you have a parking lot on that property?

10 CHAIRMAN TILLERY: When I envision that
11 property there's not a location for it, except for right next
12 to the road and there's not much there.

13 MS. McCAMMON: There's actually a.....

14 MR. CUSHING: This is Mayor Cushing, if we were
15 able to maintain that option on Lot 6A, I don't think we would
16 be asking for it or even consider it desirable for parking on
17 the piece that you're purchasing.

18 CHAIRMAN TILLERY: Okay. And so we can work
19 that into an easement, that that's not an option available.

20 MR. WOLFE: On the parcel were buying?.

21 CHAIRMAN TILLERY: On the parcel we're buying,
22 but not -- on their's, yes.

23 MS. D. WILLIAMS: Right. I would like that in
24 the parcel we're buying.

25 CHAIRMAN TILLERY: Okay.

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1 MR. WOLFE: Mr. Chair.

2 CHAIRMAN TILLERY: Mr. Wolfe.

3 MR. WOLFE: You know, that goes along with the
4 visitor center question that I asked for. And so is there --
5 could there be some language that limits the amount of
6 development on this parcel?

7 CHAIRMAN TILLERY: Yes. That's right, I think,
8 like I said, this one's going to be a fairly tight one. I
9 suspect it will have some which essentially limits it to those
10 functions that we've described so we can take of that, I
11 believe.

12 MR. WOLFE: Okay.

13 MR. SWIDERSKI: Mr. Chairman, the easement is
14 still to be written. The way the resolution draft is currently
15 written, the easements would be subject to approval by the
16 United States and the state of Alaska, so I would envision
17 circulating that as it gets drafted to, certainly, the
18 attorneys and to the Council members as requested for review.
19 But I think the kinds of protections we're talking about are
20 something we would anticipate having in there.

21 MR. PENNOYER: So the request, Mr. Chairman, is
22 contingent upon the approval of whatever is written up,
23 obviously? So you're going to come to us with the conservation
24 easement draft and we'll look at it and sign off?

25 MR. SWIDERSKI: That's correct.

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1 CHAIRMAN TILLERY: Correct.

2 MR. PENNOYER: Okay, fine, thank you.

3 MR. RUE: Mr. Chair.

4 CHAIRMAN TILLERY: Mr. Rue.

5 MR. RUE: This is Frank again. If we're still
6 in the discussion mode on this, I guess having heard what I
7 have just heard, I'd be a little nervous making any purchase
8 contingent on an easement on 6A, which is the parcel that they
9 haven't surveyed out. I'm not sure that how -- I'd just be
10 interested in how other people feel about that. And how long
11 that might take to come up with a conservation easement to fit
12 all this in. Do you think that would be fairly quick action?
13 And maybe that's a question to the Mayor.

14 CHAIRMAN TILLERY: It may be a question to the
15 Mayor.

16 MR. RUE: Do you think we could work out an
17 easement on 6A fairly quickly? Because I'd hate to hold
18 everything up, we've got good options on a lot of other pieces.

19 MR. CUSHING: Okay, to answer that question.
20 In terms of a city working easement with the Land Trust, it
21 takes a normal period of time. What the city's intention on
22 6A, once we could comprehensibly do this was to rezone it to
23 our conservation district. And if you want me to read out the
24 permitted use and the conditional use on that, I could do that
25 for you, and I think that might shed some light on the

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1 direction that we feel would even be available at 6A.

2 CHAIRMAN TILLERY: Okay, if you can do that
3 quickly, I think it would be of interest to the members here.

4 MR. CUSHING: Okay, the permitted uses in our
5 conservation district are fish and wildlife habitat protection
6 and enhancement and marine life and wildlife sanctuary or
7 preserve. The conditional uses are for pedestrian trails,
8 including boardwalks and viewing platforms, educational and
9 interpretive displays and signs and parking lots. And there's
10 other conservation uses, as needed, to enhance the conservation
11 district and approved by the Planning Commission.

12 MR. PENNOYER: Mr. Chairman.

13 CHAIRMAN TILLERY: Mr. Pennoyer.

14 MR. PENNOYER: I don't know if this is
15 pertinent to whether this happens or not but can you explain
16 what a conditional use is? Conditional on what?

17 MR. CUSHING: Conditional use is when it's not
18 permitted outright, you're allowed to do it without any further
19 input from our Planning Commission. On a conditional use you
20 have to take it to the Planning Commission, it can be appealed
21 by parties withstanding -- affected parties withstanding, the
22 City Council could be brought into it if they make a ruling
23 that is considered unsatisfactory to the terms of our
24 conditional use. So it is a use but it's not permitted
25 outright, you do have to go through -- it has to be reviewed

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1 and it has a series of appeals stops if people feel that the
2 use isn't as outlined in the conditional use.

3 MR. PENNOYER: Thank you.

4 CHAIRMAN TILLERY: Commissioner Rue, if I
5 understand your comment, it is, perhaps, we should make 6B a
6 condition of this -- of any motion or -- but not 6A, so that we
7 can move forward. And I assume that -- is 7, 8 and 9, are they
8 also going to have conservation easements?

9 MS. McCAMMON: Yes.

10 CHAIRMAN TILLERY: So make those also
11 conditional.....

12 MR. RUE: Right.

13 CHAIRMAN TILLERY:but not 6A, but
14 strongly encourage the city, is that the.....

15 MR. RUE: I could go either way on it. I just
16 wanted know how much of it -- how difficult 6A was going to be
17 to get an easement, how much time it might take since the city
18 hadn't gone as far along that road as it has on some of the
19 other parcels.

20 MR. PENNOYER: Mr. Chairman, I haven't heard
21 anything that's going to cause substantial delay and if it's
22 being offered, I think that it makes a package, that's
23 something we should go for.

24 MR. RUE: Yeah, so, I'm ready to go.

25 CHAIRMAN TILLERY: Okay.

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1 MR. RUE: Yeah, I think Mayor Cushing just
2 answered my question.

3 MS. D. WILLIAMS: 6A in.

4 CHAIRMAN TILLERY: Ms. Williams.

5 MS. D. WILLIAMS: I want 6A in.

6 CHAIRMAN TILLERY: Okay.

7 MR. WOLFE: I'm interested in seeing 6A in also
8 but I still have a question on 6A, and that's if parking lots
9 are part of this conditional use, and I'm assuming that there's
10 some amount of limitation the parking lot size or you can pave
11 the whole area, I assume. So what is anticipated?

12 MR. RUE: Mr. Chairman, would that be the
13 subject of the easement? You'd have to have an agreement with
14 the.....

15 CHAIRMAN TILLERY: Yeah, that would be -- the
16 easement might be different and more restrictive than a.....

17 MS. McCAMMON: Than the zoning.

18 CHAIRMAN TILLERY:than the zoning thing.

19 MR. WOLFE: Yeah, right.

20 CHAIRMAN TILLERY: The whole thing will be
21 zoned this, but there will certainly -- some of this will be
22 more restrictive than that zoning designation.

23 MR. WOLFE: I hope so.

24 CHAIRMAN TILLERY: Yeah. That's just another
25 layer.

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1 MS. McCAMMON: And I think the reason for the
2 parking lot is this area of the Spit, having been down there
3 three times in the last four months with my son bird watching,
4 it's a real hazard to public safety because the only place you
5 can park is right on the side of the road and there's a lot of
6 traffic on the road and people crossing back and forth. And I
7 think the idea of the city is to have, at least, in some
8 located areas around the Spit, some areas where you actually
9 can get off the road itself.

10 MR. WOLFE: Yeah.

11 CHAIRMAN TILLERY: To some extent the fact that
12 they're throwing in 6A, which allows for parking to be on it,
13 rather than on some of these others that we're buying, and it's
14 right next to that industrial area, is a benefit.

15 MR. WOLFE: That's fine. As long as I know
16 what we're -- and we all know what we're buying because an
17 easement on the parking lot isn't something that I'm
18 particularly concerned about, but if it's an easement on some
19 natural lands or protecting some natural lands, I am interested
20 in that, it's worth something to us.

21 CHAIRMAN TILLERY: Okay. Now, Mr. Pennoyer,
22 you had raised a question about taking these up on at a time
23 or.....

24 MR. PENNOYER: Well, I wondered if there was a
25 motion in front of us and since we.....

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1 CHAIRMAN TILLERY: There is no motion -- right,
2 there is no motion in front of us at this point.

3 MR. RUE: Maybe we could hear a description of
4 them all and then talk about a motion. Do you want to do that,
5 Mr. Pennoyer?

6 MR. PENNOYER: I was suggesting we've done this
7 one, we go ahead and do this now, one way or the other, and
8 then go on from there.

9 CHAIRMAN TILLERY: What's the sense of the
10 Council?

11 MR. PENNOYER: They are separate parcels.

12 MR. RUE: I see a certain connection, but I --
13 I guess I'm willing to do them separately.

14 CHAIRMAN TILLERY: My own understanding is that
15 there is something of a connection here that the -- I mean the
16 city's willingness to go along and this, is that they view it
17 something of -- as a package and it would be useful, I think,
18 to do all this at once but if the Council wishes otherwise, I'm
19 amenable to it.

20 MS. D. WILLIAMS: I think we ought to do it all
21 at once.

22 MR. RUE: I guess I would prefer that, too.

23 MR. PENNOYER: I don't care, Mr. Chairman.

24 CHAIRMAN TILLERY: Okay. Molly, can you move
25 on -- is that all on Homer Spit?

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1 MS. McCAMMON: Well, I do just want to
2 reiterate, for the record, real briefly some of the restoration
3 benefits on these parcels. By protecting not only the 68.7
4 acres but, in effect, almost 60 total acres of protection of
5 land on both sides. And as John Schoen, I think, very
6 eloquently described this morning the importance of the
7 intertidal resources, that these are estuarine wetland habitats
8 extending from mid-intertidal to super-tidal elevations.

9 On the base side of the Spit the intertidal habitats
10 have brackish waters providing feeding habitat for juvenile
11 salmon out-migrating from other parts of Kachemak Bay. At high
12 tide there are harbor seals swimming in the area to feed. The
13 intertidal habitat supports intertidal vegetation and
14 invertebrates that are of special significance to migratory
15 birds on a seasonal basis. During spring migration these flats
16 are used by tens of thousands of migrating shorebirds. And
17 because of this biological productivity and the diversity there
18 they are of a special public interest for helping to support
19 tourism and recreation services in the Homer area.

20 CHAIRMAN TILLERY: I'd like to add that one of
21 the things that makes this particularly unique from a legal
22 perspective is in many areas you're intertidal is protected
23 because it's owned by the governments. Here, because of the
24 legalities surrounding the earthquake, the intertidal
25 essentially is privately owned. And as you had notice on the

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1 Spit, the last five or six years, that intertidal has
2 disappeared because of fill. And this is an opportunity to do
3 something that is kind of a unique situation.

4 Commissioner Rue.

5 MR. RUE: Yeah, I guess I would just like to
6 echo what Molly just said, as well what I didn't hear John
7 Schoen say earlier, but I've read his letters and I've spoken
8 in favor of this in the past.

9 One additional thing I think is really terrific about
10 these, in addition to the values as well as the city's
11 willingness to come in and offer protections for their own
12 lands, which is unusual, I don't know that we've seen another
13 city that's been willing to be as forthcoming, is the access to
14 the huge number of people that will enjoy and learn from and
15 benefit from these parcels. It's tremen -- Homer is right
16 there, this a place that's very accessible to people. And it's
17 -- I think it's a tremendous educational opportunity on sort of
18 the whole, not only the system and the resources that are being
19 protected but to the larger issues of the -- I'd say the spill,
20 the damage resources as well as the resources that -- like
21 migrating shorebirds. So it's a terrific educational and
22 access opportunity.

23 MS. D. WILLIAMS: Mr. Chairman, I do have one
24 quick question, for probably the Mayor, and that has to do with
25 fill. We have a copy here of the appraisal report for Trust

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1 for Public Lands and there's some pictures that show before and
2 after fill activities by the current land owners. What would
3 -- after winter storms a lot of this is washed away, what would
4 be the fill activities of the city if they managed this
5 property?

6 MR. CUSHING: When you say the current land
7 owners, you talking about the industrialized strip where all
8 the intertidal lands have been filled, out toward the tip from
9 here or -- there's not been really any fill on this land, this
10 is the last remaining intertidal land on the inside of the Spit
11 and there hasn't really been any fill in there.

12 CHAIRMAN TILLERY: Ms. Williams.

13 MS. D. WILLIAMS: Sorry. Trying to find the
14 page in particular I was looking at where they showed post-fill
15 activities on, I thought, the parcel that we were looking at.
16 Let me see if I can find the page. Barry, do you see that?

17 MR. ROTH: It's the boundary between the city
18 piece, the Lot 6B, and a portion of 6A, there has been fill
19 there by the -- but those parcels are out -- that's the Herman
20 and Thompson property and the fellow that has all the boats,
21 that's.....

22 MS. D. WILLIAMS: Okay. Parcel 1 -- we are at a
23 disadvantage, we don't really have the map you have in front of
24 you, but looking at page seven it says, "Looking northwest
25 along the beach frontage of Parcel 1 after the owners-filled

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1 area eroded by winter storm action." We are looking at Parcel
2 1, right.

3 MR. CUSHING: Oh, I'm sorry, yeah, okay. Those
4 pieces there, the city has -- typically on that we've been
5 letting those parcels go and just migrate with the city -- with
6 the winter storms -- I know where you're talking about, out
7 toward the end of the Spit. We've been letting Mother Nature
8 run its course on the outer beach there. We've been asked in
9 the past to get involved and put rip-wrap (sic) out there on
10 city property in conjunction with the state efforts -- federal
11 and state efforts to protect the road. We've pretty much
12 declined to get involved. We said that the road should be
13 protected through state efforts but the city is -- it's not
14 within our Comprehensive Plan or desire to be trying to
15 maintain fills on the outer beach. And so the city hasn't.
16 We've just let the storms take their course and whatever --
17 however it's left -- it tends to sometime erode, sometimes it
18 accretes (sic) and builds up.

19 CHAIRMAN TILLERY: Ms. Williams, does that
20 answer your question?

21 MS. D. WILLIAMS: Bottom line, you wouldn't do
22 any fill activities, except to protect the road?

23 MR. CUSHING: Right. And that's not even on
24 these parcels, that's occurring all on state right-of-way.

25 MS. D. WILLIAMS: Okay.

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1 CHAIRMAN TILLERY: Okay. Molly, could you --
2 or have someone lead us, then, through Beluga Slough?

3 MS. McCAMMON: Mr. Chairman, Beluga Slough is
4 the third piece of this -- the packages that the Trust for
5 Public Lands and the city of Homer brought to the Council.
6 This is a piece of property owned by one single land owner,
7 it's 38 acres, it was appraised at \$615,000. This is a large
8 -- one of the largest pieces of undeveloped land in Beluga
9 Slough immediately adjacent and accessible from the business
10 district road. It's a combination of uplands and intertidal
11 lands, so the acquisition of the property would provide
12 protection for species that use both habitats.

13 The estuarine wetlands support intertidal vegetation
14 and invertebrates that are also of special significance to
15 migratory birds. It's used extensively during the spring
16 migration with tens of thousands of migrating shorebirds which
17 also use the uplands for roosting at high tide. In addition
18 these lands are of significant value to a variety of water fowl
19 species. So, again, the combination of biological,
20 productivity and diversity combined with the aesthetic value
21 makes these of importance to the tourism and recreation
22 services.

23 The potential threat to this piece of property is very
24 high. It has substantial development potential, as indicated
25 by the value of 615,000, the appraised value. Most of which is

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1 derived from the upland portion of the parcel. And I think
2 where this particular parcel fits in terms of an overall
3 package is that it's combined with other city, federal and
4 state land in the Beluga Slough area which once again fills an
5 important piece of protecting a large aspect of the Beluga
6 Slough area. And this is immediately adjacent to the city's
7 water and sewer treatment center, and I did request the Mayor
8 to ask the city if they would consider moving that as part of
9 the deal and he thought it was probably unlikely.

10 MR. CUSHING: Good idea though.

11 MS. McCAMMON: A good idea.

12 CHAIRMAN TILLERY: Mr. Pennoyer.

13 MR. PENNOYER: Mr. Chairman. Ms. McCammon,
14 thank you for the explanation. I noticed that this parcel is
15 subdivided leaving a strip along the road open to development
16 but then we're still acquiring considerable uplands in here, is
17 this -- that's obviously where most of the value is in terms of
18 appraised value.

19 MS. McCAMMON: That's correct.

20 MR. PENNOYER: Is there a reason why this was
21 divided up in the way it was?

22 CHAIRMAN TILLERY: Isn't that state right-of-
23 way or am I wrong?

24 MR. PENNOYER: I'm not sure.

25 MS. McCAMMON: It's my understanding that it's

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1 state right-of-way and as a matter of fact they're in the
2 process now of redoing the road and taking a little bit of the
3 curve out of it and with the idea, I think, it may even take a
4 little chunk off one corner when they redo it, but it is state
5 right-of-way. And Mayor Cushing may be able to address that.

6 MR. CUSHING: Yeah, there's a section line that
7 runs down through there, I believe it's a section line, is --
8 the little chunk north of that right before the state right-of-
9 way is a strip of city land. And that's been -- there's an RV
10 dump station in that right now and a pull off and there's some
11 gravel that's been stockpiled in that and a bunch of that on
12 the east end is -- has been deeded over to the Department of
13 Transportation for the rebuilding of the by-pass road through
14 there.

15 CHAIRMAN TILLERY: Mr. Pennoyer.

16 MR. PENNOYER: Mr. Chairman, just a couple of
17 follow-ups then. Then how is the decision made as to where to
18 subdivide the rest of the uplands in terms of value to us
19 because this -- most of the value of this property in terms of
20 appraised value has got to be in the very short part of the
21 upper boundary there.

22 CHAIRMAN TILLERY: My understanding is that
23 that is the parcel. I mean, what.....

24 MR. PENNOYER: Oh, this is the actual parcel?

25 MS. McCAMMON: This is the actual parcel, yes.

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1 CHAIRMAN TILLERY: This is the actual parcel.

2 MR. PENNOYER: Whole parcel, okay. It wasn't
3 divided in any way, this is just.....

4 MS. McCAMMON: No.

5 CHAIRMAN TILLERY: No.

6 MR. PENNOYER: And can I have one more
7 follow-up question?

8 CHAIRMAN TILLERY: Yes, Mr. Pennoyer.

9 MR. PENNOYER: The Trustee Council has decided
10 that we need to do these two actions together because they're
11 "linked" and I've heard that and I'm not sure what the linkage
12 is. Obviously the values, I think, obviously. Ms. McCammon,
13 I'll ask you that, the values for restoration are not exactly
14 the same between these two, Mud Bay versus this? The
15 acquisition of additional easements are different, the rate of
16 development on the Spit of intertidal areas is different. I'm
17 not saying that this isn't valuable, I'm just saying I'm not
18 sure what the linkage is that requires that they -- that
19 somehow there's an inner energy between these two parcels
20 that's required to consider all at once. And if you could
21 elaborate on that I'd like to know what that is because there's
22 obviously an extra reason for doing it.

23 CHAIRMAN TILLERY: Well, I think part of the
24 linkage, as I understand it, and again it's not a real --
25 sometimes we have some real direct kinds of linkages but I

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1 think here where we're asking the city to go -- and they're
2 being apparently willing to go very far out on the Spit, to add
3 in value on the sides of it -- of things, this is a parcel that
4 they are very concerned about, would like a lot of protection.
5 They're willing to throw in, as I understand it, \$41,000 to
6 help us on this, and the sort of view this whole thing as a
7 package that works together to take care some of the city's
8 highest conservation priorities.

9 Mayor Cushing might be able to speak more to that.

10 MR. CUSHING: Thank you. Yes, this particular
11 piece -- both of them are highly used by similar shorebirds
12 that a great part of our Shorebird Festival economy is now
13 based on and they're both -- they're equally used spots during
14 viewing season, during migration season. Of course, one being
15 right off the road there, that's where most of the people set
16 up on the road are looking into this area. And then there's
17 Mud Flats.

18 The Beluga Slough -- they're each unique also in some
19 other ways. The Beluga Slough ties directly back into the
20 Maritime Refuge Headquarters Center that -- and they have the
21 bulk of the land to the south and west of the Beluga Slough
22 parcel. So that whole area -- just the integrity of that whole
23 area is certainly going to help the various other projects that
24 we have going in town, the Maritime Refuge Center as well the
25 NERRS Program that we plan to headquarter in that same

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1 building.

2 MR. RUE: If I might add? This is Frank again.

3 CHAIRMAN TILLERY: Commissioner Rue.

4 MR. RUE: I think if you sort of stand back
5 even further than where we are now there's a -- you just
6 establish critical habitat area right over on the right side
7 here if you go up around the airport area, which I believe --
8 you know, you're going to have sort of a horseshoe shape of
9 really valuable areas that are now going to be linked going
10 from upland habitat in the critical habitat area by the airport
11 down through this Beluga Slough and around the corner on both
12 -- you know, on the Spit as well as this -- both sides of the
13 Spit actually will now be public lands, you know, protected
14 status. So it's going to have a very -- I mean it's kind of
15 linked as a package in addition to what the Mayor has just
16 talked about.

17 CHAIRMAN TILLERY: Mr. Wolfe.

18 MR. WOLFE: Who owns the parcel or the property
19 between the Slough and the parcel that we're looking at right
20 now, Beluga?

21 MR. CUSHING: Okay, I -- this is the Mayor.
22 That came up, was pointed out that that was a concern, so what
23 I did was is I took -- I looked into that during lunch and I
24 was under the impression it was owned by the residents, the
25 local residents that had -- right along in the little

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1 residential portion right south of that, it's two doctors in
2 town that live out there and had picked it up. I called them
3 and that was, in fact, the case, they had purchased that piece
4 of land so that they could protect it, to keep someone else
5 from coming in and -- in there under -- and making an RV Park
6 or something out of it. That is still their intent. I asked
7 them at lunch if they would be willing to allow city to zone
8 that into our conservation district and I was told they would.
9 They would let that go, so I feel that we have a willing land
10 owner that would allow and that's a super major down zone on
11 that piece.

12 CHAIRMAN TILLERY: Okay. Mr. Wolfe.

13 MR. WOLFE: I guess without some assurance that
14 that was protected you really could very easily lose the value
15 of the other property for habitat, other than -- well, it
16 certainly wouldn't necessarily marine related if they filled in
17 there and had authority to fill in there.

18 CHAIRMAN TILLERY: Well, that whole area fills
19 in at high tide.

20 MR. PENNOYER: With water?

21 CHAIRMAN TILLERY: With water.

22 MR. PENNOYER: But could they extent --
23 Mr. Chairman, I'm sorry, could they extend the fill out to
24 where that yellow line is so that the Slough would revert
25 itself onto our property, that you'd lose that?

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1 CHAIRMAN TILLERY: I guess, I'm not sure where
2 they would start from.

3 MR. PENNOYER: Well, the property they own over
4 here, I suppose.

5 CHAIRMAN TILLERY: Well, they have to bridge
6 the -- because there is a continual outflow.

7 MS. FAY: It's a creek.

8 MR. PENNOYER: Continual flow, they'd have to
9 bridge it.

10 CHAIRMAN TILLERY: Or something.

11 MR. WOLFE: I don't know. I don't know the
12 answer, but.....

13 MR. CUSHING: Even if they wanted to, which
14 they apparently don't, that would probably be one of the more
15 complex Corps permits going in the state to get fill permitted
16 in there.

17 CHAIRMAN TILLERY: I would think it would be.
18 So I guess the answer is there's not something definitive at
19 this time, there is some good indications, and it sounds like
20 the city is willing to follow-up on this and, possibly, I
21 assume, even approach them about donating an easement which
22 might give them then some tax benefits or whatever?

23 MR. CUSHING: We could certainly approach them
24 on that.

25 CHAIRMAN TILLERY: The Trust for Public Land is

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1 very good at those kinds of things.

2 MR. CUSHING: I've known the owners for years
3 and if anybody in the town would be open to that they would be.

4 CHAIRMAN TILLERY: Okay. Mr. Pennoyer.

5 MR. PENNOYER: Mr. Chairman. Actually,
6 Ms. McCammon, you told us on the Mud Bay part, you reiterated
7 some of the restoration values associated with the property, I
8 don't recall that you did this specifically here, do you.....

9 MS. McCAMMON: I did when I started, but
10 basically it's a combination of uplands and intertidal
11 resources that are protected here. There are estuarine
12 wetlands that support the intertidal vegetation and
13 invertebrates that are of special significance, primarily to
14 shorebirds, migrating shorebirds. And this is especially in
15 the spring migration when you have tens of thousands of
16 shorebirds migrating through. So it's a combination of the
17 intertidal areas plus supported by the uplands, which support
18 -- which are roosting areas for these birds. There's also
19 non-injured oil spill resources there, there have been bear on
20 the land, moose have used it, and other wildlife resources too.

21 But I think again when you look at this parcel, and I
22 think as Commissioner Rue pointed out and as the Mayor has
23 pointed out, this provides another piece in the linkage of
24 providing these long units of protection throughout the Spit
25 area, around the airport and in the Beluga Slough area.

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1 MR. PENNOYER: Mr. Chairman.....

2 MS. McCAMMON: And that is one thing we don't
3 have is an overall map showing all of those, which.....

4 MR. RUE: Right, it's actually -- it's really
5 quite a unique area given -- it's right in the community.

6 MR. PENNOYER: Ms. McCammon, I think that's the
7 explanation I think I wanted on the record because obviously we
8 could look statewide at linkages and total visitors in the
9 state, but in terms of the Homer area, this in a very much
10 smaller area, is a linkage that does occur and distribute
11 visitor use in the area, which we know is quite heavy. And
12 this assists in that, so thank you for the explanation.

13 MS. McCAMMON: I should also mention this is
14 tied into the Alaska Maritime Refuge that's building a new
15 visitor center, pending funding. And I believe that's on this
16 parcel -- this piece of the land over there, right off the road
17 over -- right off the Homer by-pass road, and their intent is
18 to have boardwalks and trails that connect throughout the
19 Beluga Slough and out over to the berm.

20 MR. PENNOYER: And, Ms. McCammon, then all of
21 that green area is basically protected now, in essence, by
22 this?

23 MS. McCAMMON: Well, as long as you go passed
24 the city water and sewer plant, yes.

25 MR. PENNOYER: Well, Ms. McCammon, as long --

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1 you did suggest that be moved, and as the Mayor said, that's
2 probably a nice idea, but not practical at the moment, but yes,
3 that's -- I understand that. So we might have a boardwalk
4 going outside that area to our property then?

5 MS. McCAMMON: Yes.

6 MR. PENNOYER: Property we purchase, rather.
7 One last question, Mr. Chairman, if I might?

8 CHAIRMAN TILLERY: Mr. Pennoyer.

9 MR. PENNOYER: So is the disposition of this
10 purchase if we do it the same as the other part? It goes
11 over.....

12 MS. McCAMMON: Yes.

13 MR. PENNOYER: And how does that relate to the
14 rest of this green area (indiscernible - interrupted).....

15 MS. McCAMMON: The city would own and would
16 manage that land subject to a conservation easement owned by
17 both the state of Alaska and by the federal government.

18 MR. PENNOYER: But this green part over here is
19 actually managed by the federal government?

20 MS. McCAMMON: Some of it managed by the city,
21 some of it is state of Alaska and some of it is Fish and
22 Wildlife Service.....

23 MR. PENNOYER: It's mixed?

24 MS. McCAMMON:and I don't have the actual
25 description of the ownership there, but it's mixed government.

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1 MR. PENNOYER: But there is some MOA or
2 something -- an agreement so that somebody doesn't build a
3 boardwalk and have to cut it off and then pick it up somewhere
4 else? Does this plan -- there's a plan for this area that
5 manages the use of all land?

6 MS. McCAMMON: It's my understanding that Fish
7 and Wildlife Service there does have a plan already in place
8 for the boardwalk, for their visitor center and I believe that
9 they have already had plans on how it would cross this portion
10 of the property that's under consideration today.

11 MR. CUSHING: We do have that, Molly, and on
12 the portion that's over on the U.S. Fish and Wildlife Service
13 area it was city funds that we were going to use to build that,
14 so we just signed all Memorandums of Understandings and the
15 necessary easements we need to do to get this -- to start
16 construction on the boardwalk this year.

17 CHAIRMAN TILLERY: Are there any other
18 questions about these or does anyone have a motion?

19 MR. RUE: I guess I would -- I don't have any
20 more questions. This is Frank. I would make a motion that we
21 have a draft resolution, at least, before us and so I'm not
22 sure what form the motion would be in, whether it would be this
23 resolution.....

24 CHAIRMAN TILLERY: (Nods his head
25 affirmatively)

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1 MR. RUE: Okay, I would move that -- I'm
2 looking at the Chairman here for guidance.

3 CHAIRMAN TILLERY: Correct. The one
4 difference, as I understand it, between this resolution and the
5 discussion we've had is that this resolution does not reference
6 6A.

7 MR. RUE: Yeah.

8 CHAIRMAN TILLERY: And so then if that were
9 added into subparagraph 7(j), I guess or 7(2)(i) it should be.

10 MR. RUE: Yeah, right, making this contingent
11 on the city giving an easement to the state and the federal
12 government on Parcel 6A.

13 CHAIRMAN TILLERY: And as well as the others.

14 MR. RUE: As well as the others, right. That
15 would be added into paragraph seven?

16 CHAIRMAN TILLERY: It's 7(2)(i) it should be, I
17 believe.

18 MR. SWIDERSKI: This draft, this copy is
19 missing page three. I don't know if anyone else is, but.....
20 (Indiscernible - multiple voices at same time)

21 MR. PENNOYER: We're just trying to figure
22 out.....

23 MR. RUE: Deciding about where we would put the

24 MS. FAY: Do you have page three?

25 MR. RUE: No, I don't have page three on mine

00106

1 either.

2 MS. McCAMMON: Nobody does.

3 MR. RUE: Why is that?

4 CHAIRMAN TILLERY: Okay, it looks like it is

5 7(j).

6 MR. SWIDERSKI: It's 7(j), yeah.

7 MR. RUE: Are we missing a page or did it just

8 paginate wrong?

9 MR. SWIDERSKI: You're missing a page -- you're

10 missing page three. For some reason page three didn't get

11 copied.

12 MR. RUE: Does anybody have page three here?

13 MR. SWIDERSKI: What I'm concerned about is

14 that may not be the original.....

15 MR. WOLFE: May be we ought to have a

16 general.....

17 MR. RUE: Should we take an at ease here or

18 should we do a general motion and then have a specific

19 resolution before us?

20 MR. WOLFE: Let's do that.

21 MR. RUE: Can we make a general motion? I

22 guess I would suggest a general motion that we offer to buy

23 these parcels at the appraised value, with contingent on an

24 easement from the city on the adjacent parcels that have been

25 discussed, and we ought to list the parcel numbers, which I

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1 don't have before me. Is that okay? And then we'll get the
2 specific language of the resolution?

3 CHAIRMAN TILLERY: I believe that the.....

4 MR. RUE: Does that work as a motion?

5 CHAIRMAN TILLERY:appraised value --
6 we're actually paying less than the appraised value, as I
7 understand it, because the city is donating \$41,000. Is there
8 any other changes to the appraised value way of describing it?
9 So that.....

10 MR. SWIDERSKI: Mr. Chairman.

11 CHAIRMAN TILLERY:essentially if you're
12 offering a motion to purchase these lands subject to conditions
13 substantially similar to those in this draft resolution, with
14 the addition of 6A, is that -- so what I'm hearing.....

15 MR. RUE: That's -- yeah, yeah, I'm trying --
16 I'm stumbling my way toward that resolution.

17 CHAIRMAN TILLERY: Okay, we'll accept that
18 motion. Is there a second?

19 MS. FAY: I'll second it.

20 CHAIRMAN TILLERY: Seconded by Ms. Fay. Is
21 there discussion on the motion?

22 MR. SWIDERSKI: Mr. Chairman.

23 MS. D. WILLIAMS: Do you have page three there,
24 and if you do, can you fax it to us in Anchorage?

25 MR. SWIDERSKI: We're getting it printed.

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1 CHAIRMAN TILLERY: We're getting it and we will
2 fax it to you. We have sort of a copy here but we want to
3 print it out to make sure it's in the same order again. Do you
4 want those -- would you like to put off this just for a few
5 minutes while we get that to you?

6 MR. RUE: We can take an at ease or move on to
7 something.

8 CHAIRMAN TILLERY: Yeah, we probably -- well.

9 MR. RUE: Could we take an at ease for three
10 minutes?

11 MR. PENNOYER: How long does this take?

12 MR. SWIDERSKI: They're printing it right
13 there. For some reason when it printed out it didn't print
14 three.

15 MR. RUE: Maybe we can discuss where Parcel 6A
16 would go in the list, because I think it's on page four, isn't
17 it?

18 CHAIRMAN TILLERY: Yeah, it would go under (j).

19 MR. WOLFE: I'm not -- Mr. Chair.

20 CHAIRMAN TILLERY: Mr. Wolfe.

21 MR. WOLFE: You know, I haven't had a chance to
22 review this, nor has our counsel had a chance to review this.
23 I generally agree with the concept and what's being proposed
24 but to agree to a specific resolution at this time makes me
25 uncomfortable.

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1 CHAIRMAN TILLERY: Yeah, I think the motion,
2 though, is to purchase it subject on a resolution substantially
3 similar to this form. We may have to make a few little changes
4 here and there but with these essential -- with these terms is
5 what the motion is, so it's not.....

6 MR. PENNOYER: So, Mr. Chairman, then we
7 wouldn't do anything further than a general group at this
8 meeting and you come around to us individually for signature on
9 the resolution?

10 CHAIRMAN TILLERY: We come around individually,
11 that's correct.

12 MR. PENNOYER: That's fine.

13 MR. WOLFE: That's fine.

14 MR. PENNOYER: Thank you, I agree to that.

15 CHAIRMAN TILLERY: Okay.

16 MR. SWIDERSKI: Mr. Chairman, there's just one
17 other issue and that is, is the \$41,000 to be applied to the
18 Beluga Slough parcel and just the Beluga Slough parcel because
19 that the way the resolution draft is kind of.....

20 CHAIRMAN TILLERY: Right, that's my
21 understanding. Is that correct, Mayor Cushing?

22 MR. CUSHING: Yes, the \$41,000 would be applied
23 to the Beluga Slough parcel.

24 And while I have the air here, just the on thing that I
25 feel I can sell 6A to my Council right now. The one concern

00110

1 that I know that's going to come up is if some parts of that,
2 right parallel to the right-of-way, do have existing city
3 utilities on it now, so if we could structure this such that as
4 part of that conservation easement we have the rights necessary
5 to maintain and upgrade size, as necessary, our utilities out
6 to the end of the Spit.

7 CHAIRMAN TILLERY: My understanding is that the
8 Council is amenable to that conservation easement, having a
9 utility function in it as well as something that accommodates
10 potential parking facilities there on 6A, albeit not the other
11 ones.

12 MR. RUE: Right, that was my understanding of
13 the discussion.

14 CHAIRMAN TILLERY: Mr. Wolfe.

15 MR. WOLFE: He'll need a utility corridor
16 across part of the property that we're acquiring also, will he
17 not? I thought I heard him saying that. All the way to end of
18 the Spit he said, so are we talking.....

19 MR. PENNOYER: I suspect they already have
20 that.

21 MS. FAY: Yeah, he said beyond.

22 MR. WOLFE: Yeah.

23 MS. FAY: But aren't we in front of the part
24 that goes beyond?

25 MR. RUE: I'm not sure.....

00111

1 MS. McCAMMON: It's connected.

2 CHAIRMAN TILLERY: We will take whatever steps
3 are necessary to preserve that utilities.

4 MR. WOLFE: What were talking about is a
5 utility corridor not.....

6 CHAIRMAN TILLERY: Correct, yeah.

7 MR. WOLFE: And if we could describe that to
8 some limits, it would help, yeah.

9 MR. SWIDERSKI: I think we can structure that
10 in the easement, Mr. Chair.

11 CHAIRMAN TILLERY: Okay.

12 MR. CUSHING: It would just be a very, very
13 small, almost negligible portion of this entire -- all these
14 pieces that we're talking about.

15 CHAIRMAN TILLERY: Mr. Pennoyer is going to
16 have to leave and Mr. Hines will be sitting in for him. At
17 this time if it is -- if the Council would like to take a vote
18 on this before he leaves that would be appropriate, I think.
19 Ms. Williams, are you okay with going ahead and voting before
20 Mr. Pennoyer leaves?

21 MS. D. WILLIAMS: Yes.

22 CHAIRMAN TILLERY: Okay. The motion has been
23 made and seconded. All in favor say, aye.

24 IN UNISON: Aye.

25 CHAIRMAN TILLERY: Opposed?

00112

1 (No opposing responses)

2 CHAIRMAN TILLERY: The motion carries. And we
3 will be getting back to you with specific resolution for your
4 review and signature.

5 MR. PENNOYER: Okay, thank you.

6 CHAIRMAN TILLERY: Thank you very much.

7 MR. CUSHING: Thank you very much.

8 (Mr. Pennoyer departs, Mr. Hines sits in - 2:16 p.m.)

9 CHAIRMAN TILLERY: Thank you very much, Mayor.

10 MR. RUE: Thank you very much, Mr. Mayor.

11 MS. D. WILLIAMS: Thank you, Mayor.

12 CHAIRMAN TILLERY: Okay, the next item on the
13 agenda is discussion on EVOS investments. I know that
14 Department of Revenue is waiting very patiently. Molly, can
15 you bring us into that?

16 MS. McCAMMON: Yes. Mr. Chairman, in your
17 packet under the tab "Investments" is a draft issues paper that
18 I prepared with Traci Cramer our Director of Administration and
19 with the assistance of the folks with the Alaska Department of
20 Revenue, Division of Treasury. And what this is in response
21 to, basically, is the Council's direction to me to see if there
22 was a way to increase the rate of return on EVOS funds and
23 reduce the costs of investing those funds. And I believe all
24 of you are aware that we are working with congressional
25 legislation to give the EVOS settlement an exemption from the

00113

1 requirement that those funds be kept in the federal treasury
2 and currently in the Court Registry Investment system.

3 If we are successful with that legislation, this would
4 -- we would then have to go back to the court to get a court
5 order to change where the funds are currently invested. In
6 anticipation, and maybe, hopefully, not to overly optimistic
7 anticipation, of getting passage of that I have been working
8 with Traci Cramer to look at some various options for both the
9 state's -- the EVOS liquidity account and the reserve fund.

10 And one thing I did want to mention before we go too
11 much further is on page one of this issues paper we do have an
12 error under Section I, B, Private Investments, on the third
13 line. I do want to correct this right now. When we talk about
14 fees would not be as high as those for CRIS, but more likely
15 along the lines to 30-35 basis point or .3 out of .35 percent
16 of assets. So it's not 30-35 percent, the decimal point slid
17 out there. And thank you, Barry Roth, for your careful
18 editorial eye.

19 But what this issue paper describes, and I do have Bob
20 Storer, who is Director of the Treasury Division and Michael
21 Chang (sic) here to do a short presentation on this and also to
22 answer any questions you might have. But what this does is go
23 through and explore some of the options available to the
24 Council as options to investing in CRIS.

25 And I think there are three basic options before you.

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1 One is to privately invest the funds. And in this case it
2 would probably be doing some kind of a competitive bid and
3 seeking out some profit making entity to manage the EVOS funds
4 and invest them on your behalf.

5 The second option is to use the Natural Resources
6 Damage Assessment and Restoration Fund or the NRDA account.
7 And this fund is an account managed by the U.S. Department of
8 the Interior for the recovery of natural resources damages and
9 for expenses necessary for restoration. It's the account that
10 the federal government currently houses its criminal
11 restitution funds, it is also the account that's used for the
12 federal funds prior to their disbursement to other federal
13 agencies and used by the Department of Interior.

14 Their investment scenarios would be similar to the
15 Court Registry Investment system, in other words, they would be
16 limited to investing in treasury bills, treasury securities and
17 keeping the money in the U.S. Treasury but they would not
18 charge the fees that CRIS is currently charging the Council,
19 other than the cost of purchasing the securities.

20 The Council is currently funding four months of Fund
21 Manager Bob Balduf's salary and that's for \$34,800, in large
22 part because he is overseeing the federal expenditure of these
23 funds for restoration projects. That expense is expected to
24 decrease over time. So if the NRDA Fund were to be used for
25 housing, one, either the liquidity or the reserve fund the

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1 costs of staff time to make those investments would have to be
2 reviewed.

3 And then the third option is a fund with the Alaska
4 Department of Revenue and in this one we have put some greater
5 detail in terms of what those options are. We asked the
6 Department of Revenue to look at the two accounts that the
7 Council currently has, the liquidity account and the reserve
8 fund. And the liquidity account is the one that the Council
9 uses to access for land payments, contractual land payments,
10 for the Annual Work Plan, and basically for ongoing expenses.
11 The reserve fund, at this point, the Council has just been
12 putting into longer term securities at about -- at 12,000,000 a
13 year and keeping the interest accruing with that account.

14 And Bob -- with the Chairman's permission, Mr. Storer
15 could do a quick presentation on the types of funds and
16 investment scenarios available and answer any questions that
17 the Council members might have.

18 CHAIRMAN TILLERY: Mr. Storer.

19 MR. STORER: Thank you. Thank you,
20 Mr. Chairman, members of the Exxon Valdez Oil Spill Council.
21 It's a pleasure to be here. My name is Bob Storer and I
22 oversee the investments in the Department of Revenue, which
23 include a number of funds, the constitutional budget reserve,
24 the general fund and the retirement system, as well as a number
25 of others. To my left is Michael Chung who oversees all of the

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1 fixed income investments in our department.

2 What I'd like to do today is talk about the process
3 that we employ in terms of developing an asset allocation for
4 the specific funds that we use. I want to talk about some of
5 the strategies we would recommend employing for your equity or
6 stock market exposure. And then Michael Chung will talk about
7 how we manage the fixed income securities, and that's managed
8 all internally by staff in the Department of Revenue. Then we
9 could discuss our flexibility in reporting.

10 If I may, what the Department of Revenue does is we
11 employ an independent consulting firm to develop what we call
12 capital market assumptions, to develop the proper asset
13 allocation. This firm, every January, presents to -- actually
14 through the retirement system at the Department of Revenue
15 they're market assumptions on how they perceive the equity
16 market, the returns you'll have over the next five years. We
17 always use a five year time horizon. We look at fixed income
18 and all the asset classes that a large fund would use.

19 Not only do we look at expected return, and I emphasize
20 this, this is a median expectation, you can earn -- the chance
21 of earning double or less exists but we look in terms of median
22 expectation. We also look at the volatility, which is how we
23 define risk in our investments. We're so well diversified that
24 the risk is market volatility, not losing money in a specific
25 company. And we measure risk or volatility by simple standard

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1 deviation, which I'm sure many of you here are familiar with.
2 But, for example, if the assumption is the stock market will
3 earn 10 percent and the standard deviation is 20 percent. Now
4 we know two-thirds of the time you can expect to have returns
5 between a plus 30 and a minus 10 percent.

6 Then we also look at the correlation or how each asset
7 class, the relationship between each asset class, not all asset
8 classes move in sync. For example, equity markets -- over time
9 equity markets of fixed income market, international equity
10 markets all move in slightly different manners. And that's the
11 point of diversification so you can aggregate all these
12 different correlations and smooth out the returns, reduce some
13 of the volatility.

14 We then take all of these assumptions and we have very
15 sophisticated technology in our office and we -- what we do is
16 we develop a model portfolio, we work with the different funds,
17 we understand their constraints, what their goals are, be it
18 inflation proofing, income, their tolerance for risk, et
19 cetera, to develop a model or recommended asset allocation for
20 the specific fund.

21 If you look in your handout you'll notice on page six
22 there's some recommendations, they're just some ideas for what
23 you can do for the liquidity fund. Now, I'd like to emphasize
24 a couple of things. One, we can literally create any
25 combination of assets you want, these are just simply examples

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1 of what we can do and how we can work with staff to create the
2 proper asset allocation for your respective funds. And just
3 the first two lines, short-term pool, intermediate pool, these
4 are just simply two different fixed income pools and then the
5 percentages of each pool that you would invest in. And Michael
6 Chung will explain the composition of those pools in just a
7 minute.

8 You'll see then in the different mixes we have an
9 expected return, again this is a five year median expectation.
10 Then we do -- we look at the volatility of the respective
11 portfolios and then one of the things that we find is useful is
12 just to show the probability of a negative return. Not only
13 the probability of a negative return in one year, but we also
14 look at it at three and a five year return. We find that's
15 very helpful to people to understand, we take it out of the
16 conceptual act of risk, but what reality can be. So what is
17 your probability of the negative return.

18 You notice on the liquidity fund this is very
19 conservative, it's essentially money market oriented, so
20 there's a very low probability of a negative return. If you
21 were to turn two pages forward to page eight, you'll notice a
22 longer term fund, which would be the restoration fund, and I
23 emphasize, these are just simply some conceptual ideas, we can
24 get any combination you want. But you'll notice this has
25 equity investment which are more volatile instruments and you

00119

1 can see that your -- naturally if you go down to the expected
2 return you get a significantly higher return, well in excess of
3 eight percent versus more in the five percent return for the
4 conservative fund.

5 But if you look at a probability and negative return
6 you see an array of anywhere from a 14 percent probability in
7 one year to a 19 percent in a more, what you would call, an
8 aggressive type fund. I think more importantly, and this is
9 the point why you diversify and why would -- this is a longer
10 term fund, if you looked over the five year term you'll see
11 that the probability of a negative return is nominal, in mix
12 one, less than one percent, as an example.

13 So those are how we look at and develop the asset
14 allocation for the respective funds. Now we would employ
15 probably two strategies, the one investment class that we would
16 exclude for purposes of this type of fund would be real estate
17 ill liquid, very difficult to replicate, but we would look at
18 U.S. fixed income, domestic equities and potentially
19 international equities as a diversification.

20 Now, I'm going to talk a little bit about the equity
21 market and how we would recommend approaching it and Michael
22 will talk about the fixed income, but a definitional point,
23 it's an active versus passive.

24 On our equity exposure we use State Street Global
25 Advisors and it's just a passive portfolio. And what these

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1 portfolios are, are -- they are designed not to outperform a
2 benchmark or some market measure, but simply to replicate the
3 performance of that market. A common one you hear for the
4 domestic portfolio would be the S&P 500, but you can get an
5 array of much broader U.S. equity exposure, you can have
6 international equity exposure. The advantages of this approach
7 is it's an extremely low cost way of getting U.S. or
8 international equity exposure. For example, our existing
9 relationship has -- with State Street Global Advisors and the
10 S&P 500 fund is just .01 percent, what we call one basis point.
11 If you were to have an actively managed portfolio it could be
12 considerably more expensive. I was disappointed it isn't 35
13 percent, I thought it would drive me into private enterprise.
14 But this is a low cost way to get a very diversified exposure
15 into the respective markets.

16 We do manage all the fixed income in an active manner
17 and we have benchmarks just you like you have in the U.S.
18 equity market and -- but we manage that internally and actively
19 and in all cases, currently, I'm pleased to say, we have out
20 performed the relative benchmark. Mike will explain a little
21 bit more on that.

22 But that, very briefly, I know it's been a very long
23 day but with that I would like to turn it over to Michael to
24 discuss how he manages the fixed income portfolios.

25 MR. CHUNG: Thank you, Mr. Storer. Thank you,

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1 Mr. Chairman. My name is Michael Chung, I'm responsible for
2 the fixed income management for the state. Currently we manage
3 close to 7.6 billion. Looking to page six here of the
4 document, underneath the liquidity fund, let's say, going to
5 the short-term pool, currently we manage closer, in the
6 short-term pool, up to one billion in the short-term liquidity
7 fund for the state. In essence, when we manage the money for
8 the short-term pool the key thing is the time horizons. Time
9 horizon for the short-terms investment is relatively short, we
10 have maximum maturity of 14 months or less. Liquidity is
11 critical to these -- investment in this pool. And current
12 income is all is critical in investment with the short-term
13 pool here.

14 Going into intermediate pool. Intermediate pool, the
15 time horizon is a little bit longer with a maximum maturity of
16 five years. Liquidity needs is moderate, current income needs
17 is also moderate. We are willing to give up a little bit of
18 those concerns to gain a higher returns over various interest
19 rate cycles. Our research has concluded that, you know, we can
20 get incremental returns from there.

21 And in the restoration fund -- and on page eight we
22 talk about a long-term pool. Long-term pool in this case here
23 with much longer time investment horizons here. Liquidity
24 needs is minimal and current income needs is also minimal.

25 And all and all the general investment philosophy that

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1 we apply for all of our fixed income investments is very
2 conservative with close to 50-60 percent of fixed income
3 investment for each of these pools comprised of U.S. Treasury
4 or agency securities. The rest is all in high grade investment
5 grade securities. Liquidity is always critical in how we can
6 get out of investments. Preservations of the principle is also
7 critical in investment decision making.

8 As Bob mentioned earlier, we actively manage the
9 portfolios and we believe over actively managed fashion, over
10 various interest rates cycles and we should be able to
11 outperform the whatever respective benchmarks that we measure
12 our performance against.

13 MR. STORER: Thank you, Michael. If there's no
14 questions, what I'd like to conclude with and then be happy to
15 answer any questions at that point too, is the reporting and
16 the oversight, if you will. One of the things that we do with
17 all of our funds is a -- what we'd like to believe is a
18 comprehensive investment policy statements, so it's well
19 articulated, everybody understands and expectations are set out
20 front.

21 The other thing we do is we want to report to all of
22 our funds on how well we're doing, it's our report card. With
23 the retirement system we report quarterly. Now with that it's
24 an independent report, and I have a copy of it right here, it's
25 by an independent firm called Kell & Associates. It shows all

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1 our performance by the retirement system funds, fixed income,
2 U.S. stock market and total portfolio, all the relevant
3 benchmarks. And the distinction and why I bring this up is
4 that we -- is that in this document we are compared against
5 other public funds and the private sector. For example, in our
6 fixed income management in the retirement system portfolio, we
7 have our nominal returns, the benchmark, and we are compared
8 about against 400 firms and primarily in the private sector.
9 And I'm pleased to say over the longer term horizon we rank in
10 the 25 percent. And I think that's an important issue.

11 We also get performance from our custodian bank, I keep
12 saying independent but I think it's important, it shouldn't be
13 a "trust me" aspect to this. And we get that on a monthly
14 basis. And while we could not provide you the relative
15 performance on what we call that universe comparison, what we
16 can provide you, at your pleasure, would be monthly, quarterly,
17 annual returns, not only of the respective funds, total fund,
18 but against all the other relative benchmarks.

19 And then the last piece, of course, would be the
20 presentation, such as this, hopefully we could work on the
21 flexibility of when, but we'd be happy to come before this
22 Council at their wish to report on performance and
23 accountability issues, et cetera.

24 MS. D. WILLIAMS: Mr. Chairman.

25 CHAIRMAN TILLERY: Yes, Ms. Williams.

1 MS. D. WILLIAMS: For several reasons I'm
2 making the following recommendation. One, we do have quite a
3 few folks here from the Chugach region who want to, and
4 appropriately should, have the opportunity hear our discussion
5 about archaeological resources.

6 But, two, you know, the Council could do one of two
7 things now. We could ask -- and thank you for an excellent
8 presentation. We could ask lots of specific questions about
9 what it mean if we have the flexibility to do this, to have our
10 funds managed by the Treasury Division of the Alaska Department
11 of Revenue. But this is what we need to do. We need to have
12 EVOS staff figure out all our options, you know, and do a
13 comparison chart, so what it would mean to have our funds
14 managed by the Treasury Division of the Alaska Department of
15 Revenue versus, you know, these huge, and I'm on the Capital
16 Board of Directors, so I share the names of the mega-firms out
17 there that manage similar, you know, asset basis, you know,
18 what -- you know, compare those, compare the Permanent Fund
19 option and so forth.

20 And I just don't think it makes much sense, if any
21 sense, to do this during this Trustee Council meeting now. We
22 really as a Trustee Council need to have the full spectrum of
23 options in front of us presented in a comparative manner and
24 then if we narrow it down to two, then we can bring, for
25 example, these two gentlemen back and maybe a couple of

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1 representatives from one of the, you know, mega-investment
2 firms in the Lower 48 who would argue they would do a better
3 job than these gentlemen, and these gentlemen argue they would
4 do a better job than some of the mega-investment firms in the
5 Lower 48.

6 The long and the short of it is, I guess, I would
7 recommend that we not spend any further time discussing this
8 now, until we have, you know, comparisons and the staff has
9 done that comparative work for us.

10 CHAIRMAN TILLERY: Ms. McCammon.

11 MS. McCAMMON: Mr. Chairman, if I could respond
12 to that. As you'll notice, this is a draft document and what I
13 see this as being is the first discussion of many discussions
14 to come. And what I had hoped from this initial discussion is
15 exactly what you said, Ms. Williams, which is to find out from
16 the Trustees what additional information you would like staff
17 to obtain for you in order to help you make a decision later
18 one. And that was the purpose for having Mr. Storer and
19 Mr. Chung here also was that if there were any questions of
20 them and then we could get additional direction, guidance, in
21 terms of how the Trustees would like staff to go ahead and
22 provide information leading to the ability to make a decision
23 later on.

24 And from what I can tell from your comments there, you
25 would like us to go back and obtain additional information from

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1 the private sector and from others in order to do a comparative
2 analysis of that. And we'd be happy to do that. And I'd like
3 to hear from the other Trustees if there's other additional
4 information they would like to see put forth.

5 CHAIRMAN TILLERY: Council members, do we have
6 a sense of -- Commissioner Rue.

7 MR. RUE: Just quickly. Yeah. I guess one
8 thing. I think it's in this sort of analysis, but I think it's
9 important for us to know not only the risk and the costs but
10 also what legal changes we might need to implement any
11 particular strategy. So I think you've got it in this analysis
12 so, if Congress has to change a law or doesn't it or the state
13 has to change a law, we ought to know that if we.....

14 MS. McCAMMON: Congress has to change a law no
15 matter what we do.....

16 MR. RUE: No matter what we do, okay.

17 MS. McCAMMON:other than keeping it in
18 CRIS. We need to go back to the court no matter what we do
19 other than CRIS.

20 MR. RUE: CRIS, okay.

21 MS. McCAMMON: To go directly into a state
22 account requires no statutory provision, to go into the
23 Permanent Fund would require a statutory change, to go into the
24 NRDA account, it's my understanding, requires statutory
25 language that's currently in the Department of Interior

00127

1 Appropriations Bill. There are.....

2 MR. RUE: How about going to a private firm?

3 MS. McCAMMON: I private firm, I don't believe,
4 would require any statutory change.

5 MR. RUE: Just CRIS and the court?

6 MS. McCAMMON: Yes.

7 MR. RUE: Or the court and Congress?

8 MS. McCAMMON: Yes. Yes.

9 MR. RUE: All right, well whatever.....

10 MS. McCAMMON: I'd be happy to lay that out,
11 too.

12 MR. RUE: Right, that's all I'm saying.

13 CHAIRMAN TILLERY: I think you're right that
14 needs to be laid out and I guess I had -- I had, actually, a
15 number of questions I'd like to ask you, but I understand there
16 are a lot of people in the villages and other places that are
17 kind of waiting to have a discussion we didn't get to earlier.

18 For me to look at this, and I think I -- I looked
19 pretty closely at this and I think I understand the charts but
20 it sure would be helpful if you could just make an assumption,
21 like, we got \$50,000,000 and just track it through all these
22 different options so that we can see how they compare. I mean,
23 I look at the short-term allocations and I see an expected
24 return between 5.85 and 6.15 percent and I don't even -- if I
25 had a chart next to me that showed me what CRIS was doing, for

00128

1 example, and what NRDA R would do, all those would help. So if
2 there was just something that made everything apples and apples
3 that would be very beneficial to me.

4 And I -- actually I think your explanations are very
5 helpful, particularly with respect to the equity stuff, I was
6 not sure how that was working, I think I have a better sense of
7 it, but -- Ginny.

8 MS. FAY: I guess I'd just like to make a point
9 that if you put together a chart like that you need to have net
10 returns and show what the likely cost would be, too.

11 CHAIRMAN TILLERY: Absolutely, the different
12 fees, I mean, that's a very critical element of it. Because
13 there are some of these that aren't that bad but you get to the
14 fees and it kills you, whereas this is a fairly low fee kind of
15 arrangement.

16 Mr. Wolfe, do you have comments about it?

17 MR. WOLFE: (No audible response)

18 CHAIRMAN TILLERY: Is that then -- would the
19 Council prefer at this time then to move back to archaeology
20 and.....

21 MS. McCAMMON: Mr. Chairman.

22 CHAIRMAN TILLERY: Ms. McCammon.

23 MS. McCAMMON: I do -- there actually is one
24 potential action item on this issue and that is the fact that
25 in the reserve account now we have approximately six -- we have

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1 about six and a half million dollars, and I have the exact
2 numbers here, that -- in securities, the strip ladder
3 securities, that will mature on November 15th, 1997. And under
4 -- when these were invested if the Council takes no action
5 these funds will be deposited into the liquidity account, so
6 unless the Council takes action to reinvest these in a --
7 further out into new securities, and I would like to ask
8 Mr. Storer and Mr. Chung while they're here if they would have
9 any recommendation or advice to give to the Council in terms of
10 what to do with those funds.

11 CHAIRMAN TILLERY: I think not only from the
12 prospective of what is a good investment advice but also in
13 terms of if we're going to make a change is doing something
14 going to get in the way of that?

15 MR. STORER: Thank you, Mr. Chairman, members
16 of the Council, I had the -- Michael and I had the pleasure of
17 working with this Council on developing that portfolio a number
18 of years ago and so while I don't have the information in front
19 of me I remember a fair amount of it. And I think one of the
20 important things that we tried to develop was -- it was simple
21 instructions and that you could invest the money and then not
22 working about insure that you were maximizing return. And the
23 reason, without getting hopefully too esoteric in here, but we
24 didn't want get into cash flows from coupon payments from those
25 securities and that's why you invested in what are known as

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1 zero coupon treasury notes. They're guaranteed by the U.S.
2 Treasury and the rate of return -- they function like
3 short-term treasury bills where you -- the cash flow is
4 essentially reinvested internally, so the point that on
5 maturity you get all the funds that you earned and you don't
6 have to worry about the reinvestment.

7 But the point is that what I would recommend is -- as I
8 remember it, all the maturities were set for November 15th and
9 I would take any funds that you have right now and recommend
10 that you -- the maturing money, if you will, and just leap frog
11 over to one year beyond your oldest maturity and invest in the
12 same instruments from Novem -- with a maturity of November
13 15th.

14 I think there's an important issue here also that I'd
15 like to touch on, and that's that if you're successful,
16 whatever it's managed, it's important to know that what you're
17 investing in is very liquid instruments and you can -- whoever
18 manages your money they can take those instruments and they can
19 work with you to liquidate them, to restructure the portfolio
20 or they can hang on to them and you do not have to worry about
21 the ability to sell or what you do with those securities. And
22 I think that that's an important issue here, too. So I would
23 take the proceeds and I can't -- I honestly can't remember what
24 the last maturity was, it was early in the next century, I'll
25 say about five or six years out and I would just take 2003 and

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1 so I would take whatever the proceeds are and invest it an a
2 U.S. Coupon Treasury Note maturing in November 15th, 2004.

3 CHAIRMAN TILLERY: Okay, are there questions
4 about this issue for Mr. Storer?

5 (No audible responses)

6 CHAIRMAN TILLERY: Any questions from
7 Anchorage, Ms. Williams?

8 MS. D. WILLIAMS: No.

9 CHAIRMAN TILLERY: Okay. We can come back to
10 that one or take care of that now if anybody wants to make a
11 motion or whatever. We do have to deal with this before we
12 have another meeting so we are going to have to deal with that
13 this meeting.

14 Ms. McCammon.

15 MS. D. WILLIAMS: Mr. Chairman, I guess I would
16 again as staff to present us a short memo with the options on
17 this. And my guess is we're going to have some kind of meeting
18 before November 15th where we could act on a specific
19 recommendation, be it U.S. Coupon Treasury Note or whatever.

20 CHAIRMAN TILLERY: Ms. McCammon, are we likely
21 to have a meeting? I thought there was a time problem.

22 MS. McCAMMON: At this point we have no meeting
23 scheduled until the first week of December. That doesn't mean
24 we couldn't have a short teleconference meeting for a specific
25 purpose with a lot of alternates for the Trustees if we need

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1 to, but it -- we had a real difficulty in the next month to six
2 weeks getting enough folks together for an actual in-person
3 meeting.

4 CHAIRMAN TILLERY: Okay. Well, we can probably
5 -- I think you're right, we can probably get together for a
6 teleconference, a continuation meeting or something.

7 Okay. Are there -- other Council members have any
8 further sort of questions on where we are on this now or
9 comments?

10 (No audible responses)

11 CHAIRMAN TILLERY: Okay. Well, thank you very
12 much for coming, I'm sorry we were late getting to you and.....

13 MR. STORER: No problem, it's our pleasure,
14 thank you very much.

15 CHAIRMAN TILLERY: Thank you very much.

16 MS. FAY: Thank you.

17 CHAIRMAN TILLERY: Okay, that brings us back to
18 the discussion on archaeological restoration. We've indicated
19 earlier, to some extent we've done that during the public
20 comment period. Ms. McCammon, who is bringing that discussion
21 to us?

22 MS. McCAMMON: Mr. Chairman, before -- we need
23 to do one technical budget amendment today, too, but.....

24 CHAIRMAN TILLERY: Well, why don't we get.....

25 MS. McCAMMON:let's do archaeology, yeah.

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1 CHAIRMAN TILLERY: We're not going to lose
2 them. As long as we got voters, let's go ahead and do
3 archaeology.

4 MS. McCAMMON: Yeah. In the packet under
5 Archaeology there is a memorandum from myself to the Trustees
6 describing -- briefing you, basically, on kind of the history
7 of archaeological repositories in Prince William Sound and
8 Lower Cook Inlet. This goes back -- dates back to March, 1993
9 when the Council first agreed to contribute one and a half
10 million toward construction of the Alutiiq Museum for the
11 purpose of storing archaeological artifacts from the Kodiak
12 Island Archipelago.

13 In January, 1994, the Council asked the Department of
14 Natural Resources to develop a plan for involving local
15 communities in the restoration of archaeological resources.
16 That final report recommended a regional repository and local
17 display facilities, however, it also very clearly indicated
18 that this was not -- that there was no consensus among the
19 communities in the region on this issue.

20 In April of '95 the Chugach Heritage Foundation
21 submitted three proposals to plan and to design repositories
22 and train village residents to operate them. Later that same
23 year in August the Council authorized over \$200,000 for the
24 Chugach Heritage Foundation to plan for community based
25 archeological restoration projects. The goal of this planning

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1 effort was to go out to the communities and to see if a
2 consensus in the region could be developed on future
3 restoration of archaeological resources.

4 At the same time Chenega Corporation had requested
5 funds for a repository in Chenega Bay. The Council deferred a
6 decision on that project until the completion of the planning
7 project. And in the meantime the corporation has decided it
8 does not intend to pursue that.

9 In November of 1996 the final report for Project 96154
10 was released, you all have copies of that report. The
11 recommendation from the planning effort, which was a community
12 based planning effort, recommended that the Council contribute
13 \$4,000,000 towards the construction of an artifact repository
14 in each of the eight villages in the planning area.

15 Since that time the invitations for project proposals
16 have discouraged proposals for repositories until the Council
17 decided whether to invite proposals for that purpose and how to
18 structure the invitation.

19 The Public Advisory Group met on this issue a number of
20 times and probably their most comprehensive meeting was in
21 March of 1997. They were not able to make a recommendation at
22 that time, they asked for additional information from the
23 villages in terms of what their actual interests were in each
24 individual village. In response to that and in response to the
25 Trustee Council's request for additional information I did send

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1 a letter to all of the village councils. Most of them
2 reiterated their support for repositories in each village.

3 In August of 19 -- of this year, Chugach Alaska
4 Corporation requested 2.3 million to develop an artifact
5 repository and cultural center in Seward for the Chugach
6 region. Develop traveling exhibits and approve village
7 facilities to accommodate the exhibits. They -- however, after
8 submitting their proposal they did send a letter to the Council
9 reiterating their support for individual community repositories
10 as the preferred option and clarified that their proposal had
11 only been submitted if the Council chose not to support that
12 scenario.

13 Since that time CAC has continued to negotiate their
14 lease with the city of Seward for the railroad depot and they
15 have committed to spending half a million dollars from
16 corporation funds on renovation of the facility for a cultural
17 center.

18 It seems like through all of the planning efforts what
19 the options that have narrowed down for the Council's
20 consideration are primarily two. The recommendation of the
21 community based plan, which is for individual repositories in
22 each of the eight communities or some scenario with a regional
23 -- region-wide repository plus some kind of renovations to
24 existing facilities or some new facility for displays plus
25 accompanying traveling exhibits.

1 In the Restoration Plan itself the Council acknowledged
2 the restoration value of repositories and the display of
3 archaeological exhibits in communities. In fact, one of the
4 restoration strategies is to protect sites and artifacts from
5 further injury and store them in appropriate facilities. They
6 could be protected from further injury through the reduction of
7 looting and vandalism or the removal of artifacts from sites
8 and storage in appropriate facilities. Opportunity for people
9 to view or learn about the cultural heritage of people in the
10 spill area would also provide protection by increasing
11 awareness and appreciation of cultural heritage and would
12 replace services lost as a result of irretrievable damage to
13 some artifacts.

14 In looking at the various discussions over the past
15 year it seems like the major threshold question before the
16 Council is the issue of individual repositories in the eight
17 communities. And I think it's been very difficult for the
18 communities to even consider other alternatives since this is
19 their preferred option, and they've been very clear on that and
20 very unanimous in their support of that. And I think before --
21 if the Council would like them to consider other alternatives
22 this -- the issue of whether this is something the Council
23 wants to support needs to be addressed first.

24 CHAIRMAN TILLERY: Okay. Are there questions
25 for Ms. McCammon or comments from Council members?

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1 MS. D. WILLIAMS: Mr. Chairman.

2 CHAIRMAN TILLERY: Ms. Williams.

3 MS. D. WILLIAMS: I think we've heard a very
4 clear request by the people who testified today and whatever we
5 do today -- the discussion motion and so that there's the
6 opportunity for a meeting when a lot of representatives of the
7 communities will be here during the AFN Convention with a large
8 -- you know, all the Trustee Council or, I guess, a large
9 subset of the Trustee Council. I wanted to ask Molly her views
10 about that procedural question or issue and also how many folks
11 we could get together in mid-October to have that discussion.

12 MS. McCAMMON: Mr. Chairman.

13 CHAIRMAN TILLERY: Ms. McCammon.

14 MS. McCAMMON: It's -- we're currently planning
15 to have a meeting of the community facilitators in Anchorage on
16 either October 20th or 21st, in advance of the AFN meeting, so
17 I think that is very doable. In addition the Public Advisory
18 Group is scheduled for a day and a half meeting in Anchorage on
19 November 4th and 5th.

20 MR. RUE: Mr. Chairman.

21 CHAIRMAN TILLERY: Mr. Rue.

22 MR. RUE: Yeah, I think I'm tracking with what
23 Ms. Williams is suggesting, which is, we not take any action
24 today except to, perhaps, set up a time for the communities or
25 representatives from the communities to give us feedback on

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1 some specific proposals. And I guess I think from the dis -- I
2 missed some of the public comment, I believe, this morning, but
3 I'd certainly be interested in hearing from communities on what
4 they think about the draft resolution that you had in this
5 pamphlet. I'd be interesting in hearing -- you know, let folks
6 look at that, give us their thoughts on that, does that work,
7 how would they suggest amending that, or do they still think
8 individual repositories in every community is the only way to
9 go? I'd be very interested in having more discussion on that.
10 And talking also specifically about what kinds of facilities
11 people want in the communities given some of the options and
12 the costs that they're going to face. I think that would be a
13 good thing to hear more about. I know I'd like to have
14 specific feedback on the proposal that you have in here,
15 whether that kind of help meets their needs or doesn't meet
16 their needs, and if not, why.

17 CHAIRMAN TILLERY: Okay, thank you. Mr. Wolfe.

18 MR. WOLFE: Mr. Chair, I'm still toying with
19 whether or not the villages have looked at and considered all
20 the costs that are associated with local repositories or if
21 it's clearly understood that the artifacts that are returned,
22 if they were returned, to the local repositories, would they
23 have to meet the standards for federal protection? And I'm not
24 sure that the villages understand that yet or agree with it.
25 I'm not sure which it is, but it -- but if I'm hearing right it

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1 has to meet that standard if it is a repository. And if that's
2 the case then it would be good if when we do meet to discuss
3 this further that we have a common basis for where we're
4 talking from when they request a village or a local repository,
5 that everybody understands that it involves the costs that's
6 associated with protecting the artifacts to the same level as
7 what would be protected in the facility at Fairbanks. That way
8 we can at least be talking apples and apples rather a mixture
9 of things.

10 And certainly -- I think Deborah was getting at it this
11 morning, was the whole issue of maybe a long-term display or
12 something to that effect may satisfy their needs. And I think
13 maybe if we could put that out some way to them so that they
14 have a chance to dialogue with us on that issue as a response
15 it would be of some benefit, so I'm okay with having a --
16 deferring any decision. I think we need to defer a decision
17 today and meet very soon, if we can, to deal with the issue
18 further and hear more discussion, but we certainly need to come
19 to closure on this fairly soon.

20 CHAIRMAN TILLERY: Okay, thank you. Anything
21 else?

22 MS. D. WILLIAMS: Mr. Chairman, I actually --
23 with respect -- I concur with everything that's been said so
24 far. Now with respect to the draft resolution, after the
25 discussion today, the only thing I would like, perhaps, either

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1 to change or have an, you know, alternative point when we
2 discuss this with the community representatives is that the
3 development of traveling exhibits.

4 I'm starting to develop a different view of that
5 concept, should we pursue that concept than I had before. I
6 guess initially I thought, well, maybe one exhibit, it would go
7 from community to community. I'm much less attracted to that
8 as the alternative. I -- what attracts me and what I would
9 like, at least tentatively, you know, just as a concept to
10 present before the community representatives, would be this
11 notion of, you know, an exhibit per community, so every
12 community would have its own exhibit. It wouldn't have to go
13 from community to community. And that it could be somewhat of
14 a notion of an annual exhibit, so it could change over the
15 years.

16 Now, of course, this would represent some potential
17 funding in the out years, but we could accommodate that as need
18 be, as it comes up. With an idea that each community could
19 then participate with the central repository, again if we go
20 down this road, in developing their exhibit for that year. And
21 it might be semantic, like, you know, marine mammal hunting
22 objects or objects used by women or, you know, some semantic
23 thing. Would use the artifacts, particularly from EVOS but any
24 others that were available, get that to the community, they
25 would have that available for school children, for the

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1 community, for tourists and then with a possibility of then
2 having a slightly different exhibit the following year. But
3 have artifacts in the community, each community, for a
4 substantial period each year.

5 And I like the notion, the idea, of really
6 incorporating that into the education of the children, letting
7 people, to the extent that you can, touch them. I'm not sure
8 what the rules are there, but very tangible in the community
9 for a substantial time each year and those which are closest to
10 the community.

11 So I guess I would just ask that when we discuss this
12 with the communities that that be part of the notion, a
13 traveling exhibit, which may mean that \$200,000 -- and I don't
14 know whether the 200,000 was per community or for the whole
15 shebang, 200,000 wouldn't do what I just described, and so I
16 don't know how much per community it would cost to work with a
17 repository to develop one, but, you know, it might be, I don't
18 know, 50,000 per community -- something per community that
19 would be meaningful. Anyway, that's the only variation I would
20 particularly like to put on the table for discussion in
21 October.

22 CHAIRMAN TILLERY: Okay. From my own
23 perspective I guess I didn't understand this the way you did.
24 I understood this traveling exhibit to be pretty much what you
25 described, which is not one that traveled around, but one that

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1 was in each village at all times and that they would just
2 change in the village and new ones would come and things would
3 go back to Fairbanks, or wherever they went, but there would
4 always be something in the village, that was my own
5 understanding of what this meant. And Ms. McCammon is going to
6 tell me whether I was right or wrong.

7 MS. McCAMMON: Well, my thinking on it was kind
8 a variation of the two, which was you'd have six or eight
9 developed exhibits, and I think this cost was reflecting that,
10 that then would be in a community for a long amount of time,
11 six months, a year, whatever, and would change on, you know, a
12 semi-regular basis among all of the communities.

13 CHAIRMAN TILLERY: Okay.

14 MS. McCAMMON: So you would have a bank of
15 exhibits.

16 CHAIRMAN TILLERY: Well, exactly, that's kind
17 of what I was -- Mr. Hines.

18 MR. HINES: Yeah, thank you, Mr. Chairman.
19 Just a question of clarification regarding the traveling
20 exhibits. Do they have to be maintained or kept in an approved
21 facility itself with certain standards accordingly and will
22 that add to the expense of doing this particular concept?

23 CHAIRMAN TILLERY: At the risk of getting this
24 wrong, that was discussed earlier and I think.....

25 MR. HINES: I'm sorry I missed that.

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1 CHAIRMAN TILLERY: the answer is that if
2 you keep them in a repository your dealing with, like, one
3 degree Fahrenheit differential in temperature and strict
4 humidity and stuff. If you make them a traveling exhibit you
5 can't let them get rained on and you got to have heat in the
6 building, I mean, but it's not nearly as expensive or precise
7 as is if it's a "repository up to federal standards".

8 MS. HINES: So each of the villages -- excuse
9 me, Mr. Chairman, each of the village would have to have some
10 type of an approved facility to be able to do that?

11 CHAIRMAN TILLERY: That is correct. And which
12 I believe is sort of the proposal under B, which is the
13 \$200,000 per community to develop that kind of a thing.

14 And, Ms. McCammon, if you could, for purposes of people
15 who do want to comment on this draft, if you would clarify what
16 Ms. Williams was asking, which is, is the 200,000 to develop
17 these eight or nine, however many it is, exhibits that would
18 move?

19 MS. McCAMMON: Yes.

20 CHAIRMAN TILLERY: For all of them, it per
21 exhibit, it's the total?

22 MS. McCAMMON: Yes, it's for all of them, yes.
23 Yes.

24 CHAIRMAN TILLERY: And is there some budget --
25 I mean some analysis that that's based on?

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1 MS. McCAMMON: It was an estimate that our
2 staff made based on some research that she had done. And it
3 may not be the right figure but it was -- it wasn't just pulled
4 out of the air.

5 CHAIRMAN TILLERY: Okay. Commissioner Rue.

6 MR. RUE: One question, also, and sorry I'm not
7 an expert on archaeology and the standards. I understand there
8 may be a variation in how much money you have to spend to
9 maintain a traveling versus a repository, a traveling exhibit
10 versus a repository. Are there variations in sophistication of
11 your facility based on how delicate the particular items are?
12 For instance, if they're skin garments or something that may be
13 very fragile, that might take a very sophisticated storage
14 facility or repository to maintain those artifacts versus a
15 stone tool or, you know, a metal object or something that may
16 not take the same level of sophistication to maintain its
17 integrity. Can you vary the level of expense and cost to be
18 the "repository" based on the sensitivity or fragility of the
19 exhibit? That's a question.....

20 MS. McCAMMON: Mr. Chairman, it's my
21 understanding you can, yes.

22 MR. RUE: Because if these aren't very fragile
23 items you might be able to do these very -- you know, a little
24 less expensively.

25 MS. McCAMMON: Yes.

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1 MR. RUE: That would be great.

2 CHAIRMAN TILLERY: Mr. Pennoyer was asking that
3 question earlier about.....

4 MR. RUE: Oh, was he. Sorry, I missed that.

5 CHAIRMAN TILLERY: Well, he was asking it
6 during the break about why is a rock that's been sitting on the
7 beach for 1,000 years have to be within one degree.....

8 MR. RUE: Yeah, versus a very delicate item.

9 CHAIRMAN TILLERY: Yeah. Ms. Fay.

10 MS. FAY: Mr. Chairman, I guess the comment I
11 had was from what I think Mr. Lewis said this morning. It
12 sounded like it was in a traveling exhibit that the building
13 requirements, he said, might not be more than an office
14 building or a home, so it seems like you might not need 200,000
15 per community to renovate your buildings under those
16 conditions, but you might need more to actually dedicate to
17 constructing your traveling exhibits if you were going to do
18 eight of them here. So maybe -- it looks to me like you've got
19 in the realm of between these -- between B and C, wouldn't you
20 have in the realm of about \$1.8 million? We could move it back
21 and forth depending on exactly what their needs were.

22 CHAIRMAN TILLERY: I guess what you're
23 suggesting is perhaps combining B and C as a lump sum to.....

24 MS. FAY: So that you could get the most
25 practical, lowest cost for it because it could be that your

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1 building facility might not take as much if you really only
2 need -- I mean maybe some of your school houses -- your schools
3 could.....

4 MR. RUE: Like add on to a school or fix a room
5 in a school?

6 MS. FAY: Have the conditions that are heated,
7 right, that could do this as opposed to you might need more
8 money to actually do a good exhibit.

9 CHAIRMAN TILLERY: Yeah, there's a certain base
10 that your going to need for display cases and with some
11 environmental controls on them and so forth, but.....

12 MS. FAY: Right.

13 CHAIRMAN TILLERY: Anyway, so other --
14 Mr. Wolfe.

15 MR. WOLFE: Just one last thought that keeps
16 coming up in my mind in this whole issue on the archaeological
17 side of it is that we have done a lot of work in the
18 archaeological end of it, in the stewardship work and some of
19 the other things that are going on in the field and we're not
20 really displaying as a part of everything that we're doing in
21 the archaeological side. And somehow if we have a session with
22 the villages we ought to put that on the table and talk about
23 how -- what we are doing there, what we plan to do, or at least
24 have in the works and get the whole arena of the archaeological
25 projects that we're working on, on the table and discussed at

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1 one time maybe. Because I think we are doing a lot of other
2 positive things and have done a lot of other positive things,
3 too.

4 CHAIRMAN TILLERY: So you kind of suggest it's
5 done like an archaeological workshop as opposed to a meeting or
6 something, is that.....

7 MR. WOLFE: Well, a one day dealing with the
8 whole issue.

9 MS. McCAMMON: Mr.....

10 CHAIRMAN TILLERY: Ms. McCammon.

11 MS. McCAMMON: Mr. Chairman, we have done that
12 numerous times, we have had workshops where we have brought in
13 the Valdez Museum, the Cordova Museum, Aaron Crowl with the
14 Smithsonian Arctic Studies Program, Michael Lewis from the
15 University of Fairbanks, the folks from the university who do
16 the training with the North Slope Borough for their small
17 museum program. We've had the communities there. We've had
18 all the information provided in terms of federal regulations.
19 We've had those discussions. We've talked about the other
20 elements of our program.

21 My concern, and I don't think the Council should take
22 action today, however, my concern is that I would like to have
23 a little more direction from the Council for the one reason, if
24 what you're telling me now is we won't take action now, we'll
25 take action in December, go off and meet with the facilitators

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1 and the Public Advisory Group on this, we have. The
2 facilitators will tell you and Chugachmiut will tell you that
3 their recommendation is to do local repositories. And you will
4 have that same question back before you on December -- whenever
5 in December. And I guess my question is, is there additional
6 guidance or direction or information that you would like to
7 have in order to help facilitate a decision at that time?

8 CHAIRMAN TILLERY: Correct me if I'm wrong, but
9 my understanding was Mr. Wolfe was suggesting that the Council
10 members be present at a session that went -- that was devoted
11 pretty much strictly to archaeology.

12 MR. WOLFE: Trying to bring us to closure on
13 this.

14 CHAIRMAN TILLERY: To -- in other words, it's
15 kind of like a Council meeting but it's just focusing on
16 archaeology and everybody gets to have their say and so forth
17 was, I believe, the proposal.

18 Commissioner Rue.

19 MR. RUE: Mr. Chairman, I guess I would see it
20 would be a better use of our time, not that it isn't
21 interesting, to have the next meeting do something, like, look
22 at two alternatives, one is the repository in every community
23 and the costs it would take to do that versus this alternative
24 or perhaps slightly amended, as Ms. Williams suggested, for the
25 traveling exhibits and ask the communities to tell us -- well,

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1 you could either have one or two proposals. Perhaps they
2 prefer a repository in every community but it's X millions of
3 dollars per community with this cost.

4 Or could this other option work if it had traveling
5 exhibits and facilities in each community that could accept and
6 maintain exhibits as well as traveling exhibits. I guess I'd
7 like a reaction to maybe one or two proposals and then we
8 decide. And I think that -- and I guess what we're really
9 asking for -- I'm really asking for is a reaction to a slightly
10 modified proposal of a central repository with exhibits in each
11 community and a facility in each community to accept traveling
12 and/or other exhibits. And does that work for the communities?
13 So maybe just get a specific reaction to that at the next
14 meeting or at an October session as has been requested here by
15 the Chugach Regional Resources Commission in Anchorage that
16 people can afford to come to, right around that AFN session.
17 So that's what I'm really looking for.

18 I think maybe, Molly, is that what you're looking for?
19 Let's get a reaction to this and see if we can move on and made
20 a decision here, either go for one option or the other.

21 MS. McCAMMON: Mr. Chairman, is the concern of
22 the Council on the individual repositories the cost issue or
23 are there any other concerns or questions or information that
24 you want to have provided to you?

25 CHAIRMAN TILLERY: Commissioner Rue.

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1 MR. RUE: Yeah, I guess, I have a couple of
2 things, I'll let other speak for themselves. One is the cost
3 issue, but two, I'd be interested in the communities' reaction
4 to perhaps a benefit of having more things come through the
5 community with traveling exhibits. They may actually have
6 access to more artifacts, more things, if it's constantly
7 moving around the region into different communities, rather
8 than each community having a small exhibit that could not be as
9 broad and varied and interesting. And I don't know, I'd be
10 interested in the communities' thinking about that and telling
11 us whether it wouldn't be, you know, more interesting to them
12 or beneficial. So that's two things I'm interested in hearing.

13 CHAIRMAN TILLERY: I have a number of concerns
14 but I think they really all come back to money because most of
15 them you can buy. I mean security, environmental controls,
16 everything else, they're concerns, but you buy them with money
17 so.....

18 MR. WOLFE: And you maintain them with money.

19 CHAIRMAN TILLERY: And you maintain them with
20 money. And the maintenance is not, of course, just the
21 purchasing of the equipment, but it's the next five to 10 years
22 that need to be done.

23 Ms. Williams, we haven't heard from you in a while.

24 MS. D. WILLIAMS: Unfortunately the problem
25 isn't -- maybe it's because I have terrible jet lag from

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1 getting back from D.C. last night. The Rolling Stone song "You
2 Can't Always Get What You Want", but, you know, you try and get
3 what you need. I think, in my mind, what I'd like to hear from
4 the community representatives is what are their priority of
5 needs? You know, what I heard today, and it wasn't -- there
6 was no representation that we heard from everyone today that,
7 you know, had a desire and appropriately spoke to it. But I
8 heard -- the most important need I heard today was having
9 artifacts in the community, you know, so you could see, touch,
10 and so forth.

11 The second one was having a community location. A
12 community location. And I didn't hear, you know, very much
13 having, you know, the archaeological repository, you know,
14 requirements for that, you know, I mean that they need -- that
15 there was that need. I also like Commissioner Rue's comments
16 about, you know, the variety that you might get with, you know,
17 eight traveling displays, that that might share within the
18 region, and I know there's a regional identity and care about
19 the region and that I think that is an asset to this.

20 So -- and going back to Molly's point, I -- you know,
21 with modifications we've described I am attracted to this
22 proposal. I would like more emphasis on the development of
23 traveling exhibits, to make sure we have enough money in there
24 to have the community involvement and make them really nice.
25 Make them really, really positive, user friendly, informative,

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1 reflective of the community, so it would involve a
2 representative from every community working with the central
3 repository or whatever and really making really meaningful
4 exhibits.

5 And I like -- you know, I like -- you know, I'm
6 attracted to this proposal. Now there may be things I don't,
7 you know, understand but when I was trying to listen as hard as
8 I could to what the primary needs were, there might be a lot of
9 have, you know, all the requirements for a repository for each
10 community, but I'm not sure that's a core need.

11 So going back to Molly's, I guess I would put this
12 proposal in front of the community representatives and say --
13 I'd be happy to say that I, you know, and I don't know if the
14 other Trustee Council members agree with me, that we are
15 positively disposed towards this with appropriate input and
16 modifications that meet the needs of the community. And so if
17 -- Molly, do you think that helps the discussion then I would
18 be happy to put this forward as the proposal that we are
19 positively disposed towards, but we certainly want community
20 reaction to it to either make it better or to really clearly
21 point out to us why it is not adequate.

22 Okay.

23 CHAIRMAN TILLERY: Okay. Ms. Fay.

24 MS. FAY: I would agree with that because I
25 don't think we'll get very many comments on this proposal while

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1 there still the hopes that we are likely to go for individual
2 repositories in these communities.

3 CHAIRMAN TILLERY: Is there other comment from
4 the Council members?

5 MR. WOLFE: I'm still feeling like maybe the
6 desire to have individual village repositories are not based on
7 a full understanding of what costs are associated with that.
8 I'm not just talking just the initial costs. And somehow -- I
9 don't know how we reflect that. I know it's noted here that
10 they needed be looking at -- if this proposal here goes out
11 that they need to be looking at revenues to cover the operating
12 costs, but telling them to cover the costs of an exhibit versus
13 a repository, there's two different things and I'm not sure
14 they understand that at this point in time. Or they agree with
15 that concept and I don't know how we get passed that.

16 CHAIRMAN TILLERY: Ms. McCammon.

17 MR. WOLFE: You know listening to the
18 discussion this morning I don't think that they agree that a
19 repository is required in order for them to have those
20 artifacts in their village. I really don't believe they agree
21 with that concept. And if that's true, then they have a
22 different vision of what's needed than what we have as -- or at
23 least I have as being needed out there.

24 CHAIRMAN TILLERY: Okay. Ms. McCammon, do you
25 think you're getting enough of a sense to put together

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1 something or do you think there is any formal action that would
2 be required to make something in October successful?

3 MS. McCAMMON: Well, I don't think formal
4 action is actually desirable, but it -- we've been through
5 three years of discussion on this and we keep in the same --
6 we're in the same quagmire we were three years ago and we
7 haven't really made much progress on that. And I'm not sure --
8 I'm sorry, I'm frustrated on this process.

9 CHAIRMAN TILLERY: Okay. Well, let me explain,
10 I think, I'm kind of counting on, is if you're -- the proposal
11 that you have made is one that I think most Council members
12 have looked at and kind of nodded their head and say "yeah,
13 that sounds good to me" but we're concerned that the
14 communities have a different vision. But, frankly, when I look
15 at it, I'm not sure that their vision is so much different, at
16 least I don't understand how it's different.

17 What I would like to see is when we have our next
18 meeting that the communities either come in -- or actually they
19 do both, they come in with an explanation of why their vision
20 is different and how they're going to pay for it. How they are
21 going to pay for the upkeep and so forth on it. Or, which is a
22 good alternative or possibility, would be to look at this thing
23 and are there modifications to this or with just a better
24 understanding of where this is coming from, will this work?
25 Will the draft resolution work with some of the modifications

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1 that we have discussed here today?

2 And, basically, just figure, look, this is the last
3 shot, everybody make your comments now. If you can demonstrate
4 that a completely independent community based repository is
5 financially feasible then bring that demonstration to the next
6 meeting. But currently this is the one that the Council sees
7 as something that would work but can you tell us what's wrong
8 with it because I don't understand what's wrong with this right
9 now. I guess that's where I'm coming from.

10 MS. D. WILLIAMS: Or again, you know, how to
11 make this better.

12 CHAIRMAN TILLERY: Or how to make it better,
13 exactly right. If they can articulate the concerns and there's
14 a way to change this that works, I'd be delighted.

15 Ms. Fay.

16 MS. FAY: Then implicit in what this resolution
17 says, can we assume that we are, in a sense, setting a ceiling
18 on what the Council is willing to pay for these by what's
19 included in here? Because that's.....

20 CHAIRMAN TILLERY: If and when we vote on it, I
21 think, but remember this is still just draft.

22 MS. FAY: Yeah, but that's the issue, they
23 might -- it's a question of who pays for the additional costs
24 between traveling exhibits versus having individual
25 repositories, isn't it?

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1 CHAIRMAN TILLERY: My sense of prior Council
2 discussions is that this is the ballpark of what the Council is
3 willing to put forward.

4 MR. RUE: Which is? The 1.2?

5 CHAIRMAN TILLERY: The one that's in the draft.

6 MR. RUE: Roughly 1.2 million; is that right?

7 MS. McCAMMON: Well, plus the 1,000,000 for a
8 regional -- up to 1,000,000 for a regional so the total would
9 be actually 2.8.

10 MR. RUE: Two point eight.

11 MS. McCAMMON: It could go as high as 2.8.

12 MR. RUE: Instead of four for the individual
13 repositories?

14 MR. WOLFE: Yeah.

15 MR. RUE: And is that an accurate cost,
16 4,000,000? I mean that was pretty good?

17 MS. McCAMMON: It was half million per
18 community, basically. Eight communities.

19 MR. RUE: And the University Museum folks think
20 that would work for a "repository meeting all the federal
21 requirements"?

22 MS. McCAMMON: You could probably -- something
23 -- the problem is it doesn't pay for the staff which is
24 required.

25 MR. RUE: Right, okay, but was the

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1 4,000,000.....

2 MS. McCAMMON: Or for the operation and
3 maintenance. You could construct eight facilities to meet the
4 requirements for that.

5 MR. RUE: Okay. That would meet the federal
6 regs for \$4,000,000?

7 MS. McCAMMON: Yes.

8 MR. RUE: In each community?

9 MS. McCAMMON: Yes.

10 MR. RUE: But you wouldn't have any operating
11 or nothing?

12 MS. McCAMMON: You wouldn't have any programs,
13 you wouldn't have any displays, you wouldn't have any.....

14 MR. RUE: Okay, you'd simply have a room or a
15 facility with display cases that met all the.....

16 MS. McCAMMON: Yes.

17 CHAIRMAN TILLERY: There wouldn't even be
18 display cases, it would be storage facilities.....

19 MR. RUE: Oh, storage facilities.

20 CHAIRMAN TILLERY:as a repository.

21 MS. McCAMMON: Right. So you wouldn't have
22 very much.

23 MR. RUE: Okay.

24 CHAIRMAN TILLERY: Is there other -- any more
25 discussion on this point? Ms. Williams in Anchorage?

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1 MS. D. WILLIAMS: No. The only thing I guess
2 that I would add because I have a much clearer vision of what I
3 would think would be a desirable traveling exhibit context.
4 One think that puz -- when you look at how the money is
5 distributed here is, you know, the regional repository, the
6 million dollars. I certainly would invite thoughts on, well,
7 you know, if we're going to put more emphasis on traveling
8 displays in the communities and, you know, community additions,
9 you know, 200,000 a community addition to assist with those
10 displays. It's possible that having a regional repository is
11 less important. And if the repository were, say, University of
12 Alaska, it could be a lot less than a million dollars which
13 would free up much more money for the traveling exhibits and a
14 little bit community additions.

15 So I don't want to suggest -- if the communities came
16 in with a different notion about, we'd like to redistribute
17 this dramatically, and if we do have more emphasis on the local
18 traveling -- you know, the displays in the communities, we
19 don't need a million dollars for regional repository, so.....

20 CHAIRMAN TILLERY: Okay. I think that's enough
21 of that.....

22 MR. RUE: I think -- are we at the point where
23 we're saying we like this, where we're well disposed or
24 positively disposed towards this proposal, we want to hear from
25 the communities, what they think.....

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1 CHAIRMAN TILLERY: But we want to hear and we
2 got an open mind.

3 MR. RUE: Okay. I think that was the sense I
4 heard.

5 MS. McCAMMON: I have enough guidance, I think,
6 to go forward and put together a meeting, so.....

7 CHAIRMAN TILLERY: The last item on the agenda
8 is the technical budget amendment on Project 97180.
9 Ms. McCammon, could you explain that?

10 MS. McCAMMON: Yes, Mr. Chairman, on August
11 6th, the Council included in its motion for the FY1998 Work
12 Plan a provision clarifying that Project 180, the Kenai Habitat
13 Restoration Project, was a capital project. At that time it
14 was my intent that both the FY97 funding and the FY98 funds be
15 considered as capital funds, which means, in essence, that they
16 don't lapse at the end of the fiscal year. Unfortunately the
17 motion as written was unclear in relation to the FY97 funds and
18 for that reason I recommend now that the Council adopt a motion
19 clarifying that the funding for 97180, which is the '97 funds,
20 be considered capital and not lapsing as of September 30th,
21 1997.

22 CHAIRMAN TILLERY: Is there a motion?

23 MR. RUE: So moved.

24 CHAIRMAN TILLERY: Is there a second?

25 MR. WOLFE: Second.

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1 CHAIRMAN TILLERY: Is there discussion on this
2 motion?

3 (No audible responses)

4 CHAIRMAN TILLERY: Hearing none, all in favor?

5 IN UNISON: Aye.

6 CHAIRMAN TILLERY: Opposed?

7 (No opposing responses)

8 CHAIRMAN TILLERY: The motion carries.

9 That brings us to the end of the agenda as I read it.
10 Is there a motion to adjourn or do we need to continue this for
11 potential teleconference.....

12 MS. McCAMMON: On investments.

13 CHAIRMAN TILLERY:on investments?

14 MR. RUE: Need to recess?

15 MS. McCAMMON: Recess.

16 CHAIRMAN TILLERY: Recess.

17 MR. RUE: Why don't we recess because we heard
18 the presentation.

19 CHAIRMAN TILLERY: And we are going to have to
20 -- and that's very likely to be a fairly quick teleconference
21 so.....

22 MR. RUE: We need a motion to recess. I move
23 we recess.

24 MR. HINES: Second.

25 MS. FAY: Second.

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CHAIRMAN TILLERY: All in favor.
IN UNISON: Aye.
CHAIRMAN TILLERY: We are recessed.
(Meeting recessed - 3:25 p.m.)

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1 C E R T I F I C A T E

2 UNITED STATES OF AMERICA)

3) ss.

4 STATE OF ALASKA)

5 I, Joseph P. Kolasinski, Notary Public in and for the
6 State of Alaska and Owner of Computer Matrix do hereby certify:

7 THAT the foregoing pages numbered 4 through 161 contain
8 a full, true and correct transcript of the Exxon Valdez Oil
9 Spill Trustee Council's Teleconference Meeting recorded
10 electronically by me on the 3rd day of October 1997, commencing
11 at the hour of 10:40 a.m. and thereafter transcribed by me to
12 the best of my knowledge and ability.

13 THAT the Transcript has been prepared at the request
14 of:

15 EXXON VALDEZ TRUSTEE COUNCIL, 645 G Street,
16 Anchorage, Alaska 99501;

17 DATED at Anchorage, Alaska this 13th day of October
18 1997.

19 SIGNED AND CERTIFIED TO BY:
20 Joseph P. Kolasinski
21 Notary Public in and for Alaska
22 My Commission Expires: 04/17/00