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1 EXXON VALDEZ OIL SPILL
2 TRUSTEE COUNCIL MEETING
3 Thursday, December 18, 1997
4 8:30 o'clock a.m.
5 Fourth Floor Conference Room
6 645 G Street
7 Anchorage, Alaska

8 TRUSTEE COUNCIL MEMBERS PRESENT:

9 U.S. DEPARTMENT OF COMMERCE - NMFS: MR. STEVE PENNOYER
10 (Chairman)
11 STATE OF ALASKA - MR. CRAIG TILLERY
12 DEPARTMENT OF LAW: Trustee Representative
13 for the Attorney General
14 STATE OF ALASKA - DEPARTMENT MR. FRANK RUE
15 OF FISH AND GAME: Commissioner
16 U.S. DEPARTMENT OF INTERIOR: MS. DEBORAH WILLIAMS
17 Special Assistant to the
18 Assistant Secretary
19 U.S. DEPARTMENT OF AGRICULTURE - MR. JIM WOLFE
20 U.S. FOREST SERVICE for PHIL JANIK
21 STATE OF ALASKA - DEPARTMENT MS. MICHELE BROWN
22 OF ENVIRONMENTAL CONSERVATION: Commissioner
23 Proceedings electronically recorded then transcribed by:
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1 STAFF PRESENT:

2 MR. ERIC MYERS	Director of Operations
3 MS. TRACI CRAMER	Director of Administration
4 MS. REBECCA WILLIAMS	Executive Secretary
5 MS. VERONICA CHRISTMAN	EVOS Staff
6 MS. SANDRA SCHUBERT	EVOS Staff
7 DR. BOB SPIES	Chief Scientist
8 MR. STAN SENNER	Science Coordinator
9 MR. ALEX SWIDERSKI	State of Alaska
10	Department of Law
11 MR. BUD RICE	National Park Service
12 MR. JOE SULLIVAN	State of Alaska
13	Department of Fish and Game
14 MR. DAVE GIBBONS	U.S. Forest Service
15 MR. BARRY ROTH	Attorney-Advisor
16	Department of the Solicitor
17 MR. JOE HUNT	Communications Coordinator
18 MR. BILL HINES	NOAA/NMFS
19 MR. BRUCE WRIGHT	NOAA/NMFS
20 MR. BILL HAUSER	Alaska Department of
21	Fish and Game
22 MR. HUGH SHORT	Community Involvement
23	Coordinator, EVOS Staff
24 MR. STEVE SHUCK	U.S. Fish and Wildlife
25 MR. KEN HOLBROOK	U.S. Forest Service

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1 STAFF PRESENT (Continued):

2 MS. MARIA LISOWSKI

3 MR. RUPERT ANDREWS

4 MR. DOUG MUTTER

U.S. Forest Service

Chairman, PAG

Department of Interior

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P R O C E E D I N G S

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2 (On record - 9:14 a.m.)

3 CHAIRMAN PENNOYER: Sorry for the delay, Alaska
4 weather is something we're all familiar with. Okay, I think
5 we'll go ahead and get started now. I'm Steve Pennoyer with
6 the National Oceanic and Atmospheric Administration, National
7 Marine Fishery Service. And we got music.

8 (Bridge operator -- getting teleconference on line)

9 MS. R. WILLIAMS: Anyone there?

10 BRIDGE OPERATOR: Yes, Rebecca, we have Homer,
11 Juneau, Seldovia, Kodiak, Valdez and Kenai on at this time.

12 CHAIRMAN PENNOYER: Okay, I think we'll go
13 ahead and get started then. Good morning all, I'm Steve
14 Pennoyer with the National Marine Fishery Service, National
15 Oceanic and Atmospheric Administration and welcome to this
16 meeting of the Exxon Valdez Oil Spill Trustee Council. We have
17 here, from my right to left, Jim Wolfe from the U.S. Forest
18 Service; Frank Rue from the Alaska Department of Fish and Game;
19 Michele Brown from the State of Alaska, Department of
20 Environmental Conservation; Craig Tillery, Attorney General's
21 Office; and Deborah Williams with the U.S. Department of
22 Interior. So all Trustee agencies are represented and present.

23 I note that Eric Myers is filling for Molly McCammon
24 who is still in the hospital and it's good news on Molly, but
25 we wish her a speedy recovery and hope she gets back soon. We

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1 also note for the record, we welcome Deborah Williams to the
2 table. She helped me co-host an ecosystem workshop about a
3 week and a half ago and I think it was too much for her, so she
4 (indiscernible - laughter) welcome back, Deborah. I understand
5 that you have some break requirements that we'll probably try
6 to figure out as we go along.

7 MS. D. WILLIAMS: I'll just be wandering
8 around, so every 15 minutes or so.

9 CHAIRMAN PENNOYER: Okay. We had scheduled a
10 Public Advisory Group report at -- I mean a public hearing at
11 9:30 and I think we probably should stay with that, it's only
12 15 minutes from now, so perhaps we could get a few items out of
13 the way and then perhaps we should go to the public hearing
14 since we advertised that for 9:30.

15 The first item is the approval of the agenda, you
16 have.....

17 MS. D. WILLIAMS: Move to approve.

18 MR. TILLERY: Second.

19 CHAIRMAN PENNOYER:the agenda in front of
20 you and it's been moved and seconded that we approve it. Is
21 there any discussion?

22 (No audible responses)

23 CHAIRMAN PENNOYER: Okay. Thank you. Is there
24 any objection to approval of the agenda as presented?

25 (No audible responses)

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1 CHAIRMAN PENNOYER: Thank you very much. We
2 have approval of the October 3rd and 28th, 1997 meeting notes
3 which are also in the packet that has been sent out to you for
4 your review. Do I have a motion on those notes?

5 MS. D. WILLIAMS: So moved.

6 MR. TILLERY: Second.

7 CHAIRMAN PENNOYER: Is there any discussion on
8 that?

9 And I'm glad our staff does such an excellent job of
10 recording what we do at the meetings and I fully agree. So is
11 there any objection then?

12 (No audible responses)

13 CHAIRMAN PENNOYER: Hearing none, the minutes
14 are approved. The next item on the agenda, and perhaps we have
15 time to do that before the public hearing, was the Public
16 Advisory Report from Rupe Andrews, who I understand is in
17 Juneau on the teleconference. And if there's time do we think
18 we ought to go ahead and take that?

19 JUNEAU LIO: Go ahead.

20 MR. ANDREWS: Would you like that report now?

21 CHAIRMAN PENNOYER: Rupe, why don't you go
22 ahead and do that and then when you're done we'll go to the
23 public hearing, if it's a little bit late then it's a little
24 bit late.

25 MR. ANDREWS: Okay. Good morning, everyone.

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1 This is the kind of report that you like to hear because it's
2 going to be a very brief one. And it is on the November 4th
3 and 5th meeting of the PAG group. Briefly, I hope you have the
4 minutes from that November 4th-5th meeting because I will be
5 referring to them. You can look at those minutes in detail.

6 CHAIRMAN PENNOYER: Yeah, Rupe, all the
7 Trustees have that in their notebook and we have seen them.

8 MR. ANDREWS: Thank you. The significant
9 highlights of the November 4-5 PAG meeting included discussions
10 on large and small parcel land acquisitions, the Restoration
11 Reserve planning process, review of the comments from Prince
12 William Sound communities in regards to individual community
13 based repositories versus a single large regional repository
14 for the housing of artifacts for public viewing and study. And
15 the advancing of six options for the Council's review and
16 potential concurrence.

17 And, briefly, the PAG covered a lot of subject matter
18 with a lot of spirited discussion in our day and a half
19 meeting. And, as I mentioned earlier, I direct your attention,
20 individual attention, to the six items that you have in the
21 meeting minutes. The PAG did support the Council resolution
22 regarding additional archaeological repositories, with
23 additions, including a dollar ceiling that they placed on it.
24 In this matter the PAG approved the resolution to the Council
25 calling for the services of a professional facilitator to help

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1 the profit and nonprofit interests involved in cultural
2 preservation to help develop a coordinated plan for physical
3 facilities and long term operations. And among the PAG groups
4 there was very strong support for this approach.

5 For the Council's information, members of the PAG are
6 planning a workshop discussion in January, prior to the overall
7 workshop, on what options for the use of the Restoration Fund,
8 the Restoration Reserve Fund, should be presented to the public
9 for review and input. The PAG is aware that decisions
10 affecting the Research Reserve Fund are several years away and
11 is not the intention of the Public Advisory Group to get out in
12 front of the Council options to go before the public, but
13 rather the intention is that this meeting will more of a
14 scoping session and hopefully will be of substantial use to the
15 Council.

16 And with that, this concludes this very brief report.
17 And, as usual, the PAG, I think, continues to serve the Council
18 very well and as a six-year member of it, I have to plug it
19 that I think that it's been doing a pretty good job and we hope
20 that we can continue to be of help to the Council in their
21 decision making. And with that, if there's any questions that
22 I can avoid or try to answer, let me know.

23 CHAIRMAN PENNOYER: Well, thank you, Rupe, we
24 very much appreciate the report and the work that the PAG has
25 done for us. I'd open now to Trustee Council member questions

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1 of Mr. Andrews.

2 MS. D. WILLIAMS: Mr. Chairman.

3 CHAIRMAN PENNOYER: Yes.

4 MS. D. WILLIAMS: Referring to the PAG's
5 recommendation that the Trustee Council secure the services of
6 a professional facilitator to help the profit and nonprofit
7 interests involved to help prepare the evasion or repository
8 development to help developed an integrated plan for physical
9 facilities and long-term operation. Could we have an update
10 from Eric or someone on where that recommendation is?

11 MR. MYERS: If I can, Mr.....

12 MR. ANDREWS: Are you asking me that?

13 CHAIRMAN PENNOYER: No, asked Eric Myers that,
14 Rupe.

15 MS. D. WILLIAMS: No, actually, Rupert, I'm
16 going to ask Eric to see where that recommendation is and then
17 there may be a follow up question for you based on the status.

18 MR. ANDREWS: Okay.

19 MR. MYERS: If I can, also, enlist the help of
20 Veronica Christman, my understanding is that while there was a
21 recommendation that a facilitator assist in those
22 deliberations, I don't believe that a facilitator, per se, was
23 actually employed, although there were discussions between the
24 various parties, Chugachmiut and Chugach Alaska Boards, and I
25 believe they met and I don't know that anything was

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1 specifically resolved at that meeting but I think the answer is
2 that a facilitator was not, per se, used.

3 MS. CHRISTMAN: To answer that question. On
4 November 17th Molly McCammon did send a letter, you have a copy
5 in your packet, to the executive officers of both Chugach
6 Alaska, as well as Chugachmiut relaying the recommendation of
7 the PAG, urging them to collaborate and to develop a proposal
8 that capitalizes on the strengths of both organizations and
9 also offering to secure a facilitator if those bodies desired
10 one. They certainly would have to initiate that action. They
11 did meet on Monday and I believe Lora Johnson is here today to
12 report on their findings. So we left it up to the boards of
13 directors of both organizations as to whether they desired a
14 facilitator, but one was offered to them.

15 CHAIRMAN PENNOYER: Ms. Williams, I notice it's
16 an action item later in the agenda, perhaps we can get into the
17 details what it was that transpired at that time again.

18 MS. D. WILLIAMS: Yes.

19 CHAIRMAN PENNOYER: Do you have a follow-up
20 question for Mr. Andrews?

21 MS. D. WILLIAMS: I don't think so.

22 CHAIRMAN PENNOYER: Are there other questions
23 for Mr. Andrews? I had, Rupe, one question, and that is on the
24 question of the \$2.8 million recommendation. Can you give me
25 the genesis of why the number, and just putting a total out

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1 there was considered appropriate by the PAG?

2 MR. ANDREWS: You know, I wish I could give you
3 a really good answer for that. There was a lot of discussion
4 at that time about that and I think if I give you any answer it
5 would probably be misleading to a certain extent. Maybe Molly
6 could fill in a little bit better on that question. But it was
7 a feeling that this would be sufficient money to carry on
8 whatever, you know, the activities involved were. But I'm
9 really not in a very good position to give you a good answer
10 around it this morning, I'm sorry.

11 CHAIRMAN PENNOYER: Okay, that's fine. Eric,
12 did you want to add something to that?

13 MR. MYERS: And again, Veronica, please correct
14 me if I'm wrong. The resolution that the Council had under
15 consideration at the October 3rd meeting outlined some figures,
16 including a million dollars for a repository, plus a maximum of
17 \$200,000 for local display facilities in each of eight
18 communities, plus \$200,000 for a traveling exhibit, which if
19 you sum those works out to 2.8. It's 1,000,000 plus, 1.6 plus
20 200,000 and so that's the basis, if you will, of the figure
21 2.8.

22 CHAIRMAN PENNOYER: Okay, thank you. And I
23 guess we can discuss that further when it comes up as an action
24 item as well.

25 We're now at 9:25, do you want to let Eric start down

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1 his list and then at 9:30 break and go to the public hearing?
2 Would you care to -- I think, unless I'm mistaken the next is
3 the Executive Director's report and I believe you were going to
4 give that and maybe you want to just get started and.....

5 MR. MYERS: I'd love to keep it to five
6 minutes, but I'll see what I can do.

7 CHAIRMAN PENNOYER: Well, I didn't demand that
8 you stay to five minutes but just obviously begin.

9 MR. MYERS: Gives me a goal. Okay, with regard
10 to the administrative issues identified on the agenda, I would
11 just note that there are actually three efforts ongoing which,
12 individually and collectively, relate to investments in one way
13 or another. One concerns efforts to recoup CRIS fees that
14 appear to have been prematurely assessed by the court. There
15 was an assessment of fees on maturing securities but it appears
16 to have been assessed against securities that had not yet
17 matured and the result appears to have been a significant
18 overcharge or overassessment of fees and there's an effort to
19 get that adjusted.

20 Over the longer term there's also an effort by the
21 Federal and State governments to explore the possibility of
22 moving the settlement funds from the court -- from CRIS to the
23 NRDA-R Fund or some other appropriate investment location as a
24 way of containing and avoiding fees and costs that we have
25 found to be disproportionately high.

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1 The third effort concerns recouping earnings on
2 settlement funds. In late November the Executive Director
3 wrote to the Alaska Department of Revenue to request remission
4 of certain actual earnings of the State general investment fund
5 relative to the six month Treasury Bill Index from July '93 to
6 June of '97. And in summary, it appears that actual earnings
7 were nearly -- or approaching \$600,000 greater than was
8 actually paid out to the Exxon Valdez Settlement Fund and an
9 effort is ongoing to work with the State Administration,
10 Department of Revenue and the Department of Law to try and see
11 if the actual earnings, which were significantly greater than
12 the T-Bill calculation, could, in fact, be credited back to the
13 trust.

14 With regard to the habitat protection item, there is a
15 copy of the most recent small parcel status report updated to
16 reflect the most recent activities. There has not been any
17 significant change in the large parcel status report since it
18 was previously distributed to you.

19 And with regard to the research and monitoring topic,
20 there is information in the packet, in the binder, reflecting
21 the most current agenda for the 1998 workshop, which is
22 scheduled for the end of January, January 29th and 30th. And
23 as some of you may know, prior to that two-day workshop there
24 will be on each of the three days proceeding, a technical work
25 session, review sessions on each of the three major ecosystem

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1 projects the Council is sponsoring, APEX, MBP and SEA Projects.
2 And then finally also in your packet you'll find a
3 bibliography of publications. This is the most recent version,
4 reflecting publication concerning Trustee Council sponsored
5 research.

6 If you have any questions I'd be happy to answer.
7 That's four minutes, I did okay.

8 CHAIRMAN PENNOYER: Are there questions of
9 Mr. Myers on any of these three items? Ms. Williams.

10 MS. D. WILLIAMS: Just a comment. The
11 bibliography looks great, so thank you for assembling that. I
12 think that's very helpful for a lot of people.

13 MR. MYERS: I think the credit really goes to
14 Stan Senner, but appreciate it.

15 MS. D. WILLIAMS: Thank you, Stan. Thank you.

16 CHAIRMAN PENNOYER: Are there other questions
17 on the Executive Director's report? Eric, I have one on the
18 restoration workshop. You mentioned, of course, that there are
19 subject -- specific workshops are going to take place before
20 that.

21 MR. MYERS: Yes.

22 CHAIRMAN PENNOYER: It would be handy if those
23 were mailed out to the Trustee Council as well, so we can -- if
24 we wish to attend we can see which ones are going to occur
25 when.

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1 MR. MYERS: Okay. And also I would note on the
2 agenda, if you look under that tab. At 9:00 o'clock there is
3 an item, Trustee Perspective. If there are individual Trustees
4 that would be interested in participating in the event and
5 offering comments, please do let us know.

6 CHAIRMAN PENNOYER: Okay, thank you. Are there
7 other questions?

8 (No audible responses)

9 CHAIRMAN PENNOYER: Thank you for a very
10 concise report. I agree the bibliography and several items
11 that are replicated in here are very valuable to us.

12 I think it's now approaching 9:30 and maybe it's -- we
13 can go over onto the network and start the public hearing, if
14 that's all right with -- everybody agreeable to -- the rest of
15 the Council?

16 MS. BROWN: Um-hum.

17 CHAIRMAN PENNOYER: I believe we have both a
18 larger number of sites and a large number of topics and quite a
19 few people that wish to testify and I would hope people would
20 be able to hold their testimony to about five minutes so
21 everybody has a chance to get their word into us. So we'll go
22 along and see how it goes and may want to revise that at some
23 point, depending how it proceeds.

24 Can you, again, tell me which sites are on line?

25 MS. R. WILLIAMS: I didn't catch all of them,

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1 but I got Homer, Seward, Seldovia, Kenai, that's all I have.

2 MR. RUE: Juneau, I think.

3 CHAIRMAN PENNOYER: Juneau, I believe. Are
4 there other sites on line besides Homer, Juneau, Seldovia,
5 Seward and Kenai?

6 VALDEZ LIO: Kodiak.

7 CHAIRMAN PENNOYER: Kodiak. Sorry, Kodiak.

8 VALDEZ LIO: Valdez.

9 CHAIRMAN PENNOYER: And Valdez, I don't write
10 fast enough when they reel them off quickly. Okay, I think
11 we'll start around the network and then come back to Anchorage
12 and sort of mix it up a little bit. So how about Valdez, is
13 there anybody in Valdez that wishes to testify this morning?

14 VALDEZ LIO: A number of people.

15 CHAIRMAN PENNOYER: Okay. Well, why don't you
16 start with whoever is first and we'll go on for a few there.
17 And would you give your name and perhaps spell it for the
18 record before you testify.

19 MS. HUGHEY: Benna Hughey, B-e-n-n-a
20 H-u-g-h-e-y, President Valdez Native Tribe. I don't have any
21 comment right now or -- I'm observing.

22 CHAIRMAN PENNOYER: Okay. I don't think it's
23 necessary for you to testify if you are just observing, but if
24 we have people who wish to testify, then we won't make the ones
25 that don't come up to the microphone and state their presence.

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1 So is there anybody else in Valdez that wishes to actually
2 testify?

3 MR. HUGHEY: Yes, Charlie Hughey, Community
4 Facilitator of Valdez. I just wanted to make some comments
5 about that archaeological items here. Just a brief comment
6 about that.

7 CHAIRMAN PENNOYER: Fine, go ahead, Mr. Hughey.

8 MR. HUGHEY: I'd like to request that the
9 Trustees in respect to the restoration or the Archaeological
10 Restoration Project there that you guys are entertaining to
11 take into consideration the cultural aspect of the articles
12 that were found in Prince William Sound and the geographical
13 picture as the items, it looks like to me, were found primarily
14 in Prince William Sound. And I think there's a proposal out
15 there that's being prepared to entertain those items to be
16 moved to Seward. The surveys that I've done around town with
17 shareholders from other corporations, other villages, the list
18 down here, and non-Natives also, this was not an extensive
19 survey, but I think it's interesting to note that the people
20 who I spoke with, everyone of them could not even conceive the
21 idea of moving these items out of Prince William Sound to
22 Seward.

23 And with that I'll just say I'm done, and thank you.

24 CHAIRMAN PENNOYER: Okay, thank you very much
25 for your testimony. Are there questions about the testimony?

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1 Any Trustee Council member?

2 (No audible responses)

3 CHAIRMAN PENNOYER: If not, thank you very
4 much. Anybody else in Valdez?

5 MR. BIXBY: Yes, Bill Bixby, B-i-x-b-y. I'm
6 with the Valdez Area State Parks Citizens Advisory Board. I
7 would like to speak on behalf of urging the Council to change
8 the status of Mr. Blondeau's request to buy his property and
9 not the Mineral Creek and have it voted upon to become a parcel
10 meriting special consideration.

11 I've gone through your package here that apparently
12 you've given to your Council members. I think there's a few
13 corrections that should be made in it. Most important, I
14 think, is that the river that is described, Mineral Creek, is
15 not adjacent to the property but runs through the property.
16 It's also -- Mr. Blondeau's property is a unique parcel in
17 Alaska because, I believe, Mr. Blondeau actually owns the
18 bottom of the creek, as opposed to just the land surrounding
19 it. So if you step out of the waters of the State and onto the
20 bottom of the creek, you're actually on Mr. Blondeau's
21 property.

22 Additionally, while the ranking was low to moderate,
23 when the Council first looked at it, we have urged
24 reconsideration of that, if that is necessary. Mr. Blondeau
25 has observed 18 of the 19 different injured species on or near

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1 his property and the near his property would also be the land
2 that's considered -- that the City of Valdez is willing to
3 donate if the Council also decides to go ahead with the
4 purchase of Mr. Blondeau's property.

5 Being one of Mr. Blond -- I was -- I'm also a former
6 neighbor of Mr. Blondeau and I can attest to the fact that,
7 although I haven't seen 18 of the 19 different species, I've
8 seen a large number of the, you know, in, on and around his
9 property. And so I think the ranking could be higher, but I
10 think that the interest exhibited by the citizens of Valdez,
11 and I have to apologize, I planned on flying up there last
12 night to attend this meeting in person and bring several
13 hundred letters with me from elementary school students who
14 urge the Council to purchase this property, you know,
15 revolutioned by the council of the high school, which also
16 would urge the Council to purchase this property. But the
17 flights didn't fly out last night and they're just leaving
18 right now and so I figured I would miss the public comment
19 testimony, so I decided to testify through the teleconference.

20 But, you know, there is large support here in the City
21 of Valdez for the purchase of this property. I think there's
22 an exhibit already in the packet. And with the city willing to
23 throw in 50 plus acres the Council will be getting more bang
24 for its buck in that property.

25 Additionally, I also believe that the Department of

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1 Fish and Game is also considering Mineral Creek which this
2 property controls the mouth of it, is also considering
3 instigating a king salmon run up Mineral Creek. And so I think
4 with the information in the packet this piece of property has
5 prime, you know, prime value for recreation and tourism, and
6 also for protection of the species which were injured by the
7 oil spill.

8 We would urge -- the Citizens Advisory Board would urge
9 not only changing the status to a parcel meriting special
10 consideration, but also the eventual purchase of Mr. Blondeau's
11 property. It's also my understanding, in the last couple of
12 days, the Council has also received a nomination from an
13 adjoining land owner, Mary Jo Evans and Dan Malon (ph), who are
14 willing to throw in property on the north side of Mineral Creek
15 which is adjacent to Mr. Blondeau's property and we would also
16 urge consideration of that purchase by the Trustee Council
17 because it would add to the -- we're getting almost a mile of
18 shoreline here and it would also a great deal of property and
19 value to what's already being considered.

20 CHAIRMAN PENNOYER: Thank you very much.

21 MR. BIXBY: So I'll end.

22 CHAIRMAN PENNOYER: Were you done with your
23 testimony, Mr. Bixby?

24 MR. BIXBY: Yes, I am.

25 CHAIRMAN PENNOYER: Okay, thank you very much.

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1 And thank you for persisting, despite the weather, and
2 testifying to us on this. I guess you mentioned the adjoining
3 land, is that -- I don't know that that's in our packet, so
4 that's not been brought up here yet, but when we.....

5 MR. BIXBY: I believe it was just in the last
6 couple of days that the owners submitted the nomination for
7 consideration. I think it's probably 15 acres or so.

8 MS. EVANS: It's about 16 and a half acres.

9 CHAIRMAN PENNOYER: Thank you very much. And I
10 guess when we get to the discussion of this item that we'll get
11 into that in further detail.

12 Are there questions of Mr. Bixby?

13 MR. TILLERY: Mr. Pennoyer.

14 CHAIRMAN PENNOYER: Yes, Mr. Tillery.

15 MR. TILLERY: Mr. Bixby, when looking at this
16 map, you indicate that Blondeau -- I don't know, it looks like
17 the west side of the Mineral Creek. And you say he owns under
18 the creek. Did I understand your testimony to be that this
19 parcel extends to uplands on the east side of the Mineral
20 Creek?

21 MR. BIXBY: It depends on what map you're
22 looking at. If you look at the front of your package, if you
23 flip that first page over, that map is inaccurate. If you flip
24 the next page over, beginning of the full third page, you'll
25 see another map that has the land that the city is willing to

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1 donate, okay?

2 MR. TILLERY: Um-hum (affirmative).

3 MR. BIXBY: And Mr. Blondeau owns both sides of
4 that creek, the mouth of Mineral Creek. Now -- okay, the bulk
5 of it he owns, you know, with Mary Jo Evans and Don Malon (ph)
6 having other portions of the land, so the mouth of the creek,
7 on both sides, he owns.

8 CHAIRMAN PENNOYER: Mr. Tillery, did you get
9 the answer you're looking for?

10 MR. TILLERY: I think so. So that there -- he
11 owns uplands on the east side of the creek?

12 MR. BIXBY: Yes, he does.

13 MR. TILLERY: Okay.

14 MR. BIXBY: And Mr. Blondeau is sitting here,
15 so if you have any questions of him as to the exact status of
16 his ownership, I believe he could answer any questions. And
17 also seated next to me is Mary Jo Evans who submitted the most
18 recent nomination of the 16 acres on the east side of the
19 creek.

20 CHAIRMAN PENNOYER: Okay, thank you very much.
21 Are there further questions? Mr. Tillery, that takes care of
22 your question?

23 (No audible responses)

24 CHAIRMAN PENNOYER: Okay. Well, thank you very
25 much for your testimony. We might as well go ahead and

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1 continue. Are there other people in Valdez that wish to
2 testify?

3 MS. LESKOS (ph): Yes, My name is Nancy Leskos
4 (ph), I'm also a member of the Valdez State Parks Advisory
5 Council and of the Valdez Trails Association. Both
6 organizations, of course, support the purchase of this property
7 and we'd certainly like to see it become part of the State
8 Parks program. We need a center here in Valdez for the State
9 Parks.

10 I'm a little concerned about the devaluation of the
11 property in terms of resources that were damaged by the oil
12 spill. For the last two decades, I have participated in or led
13 the winter Audubon Christmas Bird count and that area has been
14 included. And we have observed many more species than the two
15 that were indicated in that area, not every year, but certainly
16 over the last two decades.

17 So I think the original review of the property in terms
18 of damaged resources were perhaps limited by time available
19 rather than species available. And it would be wise to look at
20 it, particularly as -- from the standpoint of its importance in
21 the wintertime as well as the summertime. And I certainly
22 encourage you to move ahead with the purchase of this property.
23 And I'm certainly very excited by the prospect of 16 and a half
24 more acres being added to it. I mean, that would make much
25 better habitat preservation for the injured species and, of

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1 course, would also connect well with the trails that have been
2 put in by the State park with Exxon criminal funds.

3 So thank you very much for the opportunity to testify
4 and I appreciate your consideration of this parcel.

5 CHAIRMAN PENNOYER: Thank you very much. Are
6 there questions of Ms. Leskos (ph)?

7 (No audible responses)

8 CHAIRMAN PENNOYER: Thank you very much for
9 your testimony. Let's go on to Kodiak and see if anybody wants
10 to testify in Kodiak, as a break, and then we'll come back to
11 Valdez later. Kodiak, anybody there?

12 MAYOR SELBY: Good morning, Mr. Chairman, this
13 is Jerome Selby, Mayor of Kodiak Island Borough and thanks for
14 listening to us, you and the Council members.

15 CHAIRMAN PENNOYER: Good morning, Jerome.

16 MAYOR SELBY: It's been a bit since I've had a
17 chance to meet with you folks but appreciate this opportunity.
18 I want to start off by thanking you all for the great job
19 you're doing. I think you're doing a real good job of hanging
20 in there and doing some real good selections of projects to
21 fund and whatnot. We appreciate, in addition, the fact that
22 the Advisory Committee did get down to Kodiak this last summer
23 to hear firsthand from the folks here, some of the concerns as
24 well as some thanks for all the effort that folks have made.
25 Certainly I think the archaeological repository here in

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1 Kodiak is a major success story, and I hope you folks really do
2 understand just how significant that's been, not only in terms
3 of a place to put these artifacts but what it has spawned in
4 terms of interest and level of activity, the amount of effort,
5 other funding sources have come in to now help continue working
6 with these archaeological resources around Kodiak Island, it's
7 just been amazing. And really it's because you folks took the
8 big step at the start there to fund the repository, and that's
9 certainly a big success story.

10 Similarly, I want to give you a brief update on the
11 Kodiak Fisheries Research Center. Another big success story
12 from our perspective, from the \$6,000,000 that spun out of the
13 Shuyak purchase. That project is about two weeks ahead of
14 schedule, for completion -- now we're looking at mid August of
15 so for completion of that project and we've been doing some
16 work on the interpretive center which will be in the middle of
17 the building and one of the things that we're going to have on
18 the interactive computer system will be a little educational
19 program about the Exxon Valdez oil spill, so that folks can
20 come here and learn a little bit about that, but also
21 understand why research is important for that center to be
22 there. And, again, I think it's a big success story that a lot
23 of the credit goes to the Trustee Council.

24 Same thing with the solid waste project that we're
25 working on here with the villages on Kodiak Island that you

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1 folks have funded. We just have finished a study, yesterday in
2 fact, and I got to tell you as a result of that, the
3 cooperation and the level of effort out in the villages that
4 deal with these solid waste issues is the highest I've ever
5 seen it in 20 years of working with these folks, I got to tell
6 you. And again, the credit comes back because you folks funded
7 that study, you've also funded some follow-on effort. And
8 yesterday they prioritized where that follow-on effort is going
9 to go, cooperatively, among the villages and it was really
10 interesting to watch a village with a need step back and say,
11 hey, this other village needs something worse than we do, so do
12 that first. Pretty amazing. So, again, just want to thank you
13 and update you a little bit on some of the real success stories
14 you folks have had.

15 We want to continue to request that you move some of
16 the small parcel acquisitions along, appreciate the effort that
17 you've made there. We are still very interested in seeing
18 Termination Point completed. Certainly the Karluk River Lagoon
19 and Ayakulik, ones that are on your agenda for today are of
20 high interest to us. Long Island continues to be a high
21 interest and then more recently we had submitted Chiniak for
22 you folks to look at with the idea that -- I guess we thought
23 of it as maybe being the last acquisition that would be done
24 from the available funds. I think in Chiniak there's certainly
25 more opportunity than there's going to be money left after the

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1 other acquisitions are completed.

2 The nice thing about Chiniak is it can be pretty
3 flexible about the acreage purchased. I think that when you do
4 the analysis and run through the damaged species to look at all
5 the species that are there, certainly marbled murrelets are
6 there very heavily, but also then there's the public
7 recreational aspect which I would assume would rate it fairly
8 high from that perspective as well. But we're willing to work
9 with you folks and select the very best out of what's a larger
10 parcel, but we don't have any anticipation that there'll be
11 enough money to buy it all, and want to make sure that you
12 folks understand that we want to be flexible and work with you
13 on defining that. That's assuming there's money left at all to
14 entertain dealing with something on Chiniak.

15 Similarly, we'd like to see you finish up the two big
16 parcel projects here on Kodiak, the Afognak Island, get that
17 one completed. I understand that's doing fairly well, but you
18 probably have a better understanding than I do, because I'm not
19 directly involved with it. And the Karluk River negotiations
20 as well.

21 The last thing I wanted to mention and really the main
22 reason I wanted to talk to you folks a little bit today was
23 about the Restoration Reserve options. And we would certainly
24 urge you from Kodiak to, first of all, establish the management
25 of that Restoration Reserve as a non-profit foundation. And I

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1 think that your agencies would be better served from that
2 perspective because then, you know, your agencies or some of
3 the folks that ought to get some research project funded from
4 the interest earnings on that Restoration Reserve. I think
5 that you will be better served for the long haul if the review
6 process is being handled by a separate group of people and
7 there's not the accusation to you folks that you're just
8 feathering your own nest, because I think you've heard some of
9 that in past. And I think it's inappropriate, but, as you
10 know, that's not going to go away if the agencies themselves
11 are continuing to be the ones who manage those funds. So I
12 think you really ought to look at that as a good way to go so
13 that we can avoid that kind of nonsense evening being floating
14 around the discussions.

15 Secondly I want to urge you really focus those funds on
16 research. I know there are some folks that are thinking that
17 maybe there ought to be some land acquisitions done. I think
18 if you're going to do land acquisition at all that you ought to
19 set up right on the front end so that there's some relatively
20 minor percentage, like 10 percent, maybe, you know, 20 percent
21 at most, that would be available for acquisitions, but
22 realistically we've been able to get the land and water
23 conservation funds kicked loose from Congress and there's a
24 pretty go size pot of money sitting over there that, in my
25 view, would be the more appropriate place now for use to shift

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1 future acquisitions into these systems instead of trying to
2 pull it from the funds that are going to be coming from these
3 interest earnings.

4 Interest earnings are not that big. From my
5 perspective when you look at the research needs, and I really
6 think that we would all be better served to really focus on
7 continuing to do research throughout the spill area with the
8 funds that are going to be coming from the interest earnings
9 instead of diluting that effort by trying to do too much, which
10 in my view, trying to do any kind of acquisitions of any
11 significant amount is really going to dilute the funds and
12 compete with the research, which you've got some great base
13 line stuff. You've had some super research projects. I think
14 it's just the beginning, and certainly now with the center in
15 Seward, with our research facility here in Kodiak, the people
16 are going to be here that can really do some great research.
17 Several of them are in your agencies, there's some other folks,
18 I think, that are interested in either joint venturing or
19 getting involved in research here in the Gulf of Alaska, and
20 it's -- we're just scratching the surface in my view and I
21 would hate to see those funds not used for that purpose.

22 So I would certainly urge you to really steer the
23 funds, as much as you can, in that direction, I think that
24 really is the priority for the reserve funds.

25 With that, Mr. Chairman, I've probably overshoot my five

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1 minutes, but thanks for listening to me and if you got any
2 questions I'll be glad to answer them.

3 CHAIRMAN PENNOYER: Thank you, Mr. Mayor.
4 Thank you for you kind words and for the update on the other
5 projects as well as your advice.

6 Are there questions from the Trustee Council for the
7 Kodiak Mayor?

8 (No audible responses)

9 CHAIRMAN PENNOYER: Hearing none, thank you
10 again, Mr. Selby, and we'll see you in the not too distant
11 future, I hope.

12 Let's see if there's anybody else from Kodiak that
13 want's to testify.

14 KODIAK LIO: No one else, thank you.

15 CHAIRMAN PENNOYER: Okay. Thank you. Let's go
16 on down to Homer then. Are there folks in Homer that want to
17 testify?

18 HOMER LIO: There's three or four in Homer.

19 CHAIRMAN PENNOYER: I'm sorry.

20 MS. BROWN: Three or four.

21 CHAIRMAN PENNOYER: Well, please go ahead.

22 MS. GRISWOLD: I'll go. My name is Mary
23 Griswold and I'd like to speak, first, for myself and then on
24 behalf of Katchemak Heritage Land Trust.

25 CHAIRMAN PENNOYER: All right, thank you. Go

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1 ahead.

2 MS. GRISWOLD: I'm very pleased with the
3 Trustee Council's land acquisitions and with the rigorous
4 process you have developed for making these decisions. I hope
5 you will continue to make habitat protection your highest
6 priority. One thing Mr. Murkowski misrepresented in his recent
7 article in the Anchorage Daily News was that many of these
8 acquisitions actually returned land that was withdrawn from
9 existing parks and refuges, rather than adding new parcels.

10 I am enthusiastic recreational user of many State and
11 Federally managed lands that have been benefited from EVOS'
12 purchases. The Katchemak Bay State purchase returned the heart
13 to our park, land which is most accessible destination for most
14 park visitors and the most visible part of the park from the
15 entire north side of Katchemak Bay.

16 Many purchases on Kodiak Island returned land to the
17 Kodiak National Wildlife Refuge established in 1941 to protect
18 habitat for our magnificent brown bears. I have spent many,
19 many wonderful summers deer hunting, hiking and fishing and
20 numerous days on Afognak and Kodiak Islands and I'm very
21 relieved to have these inholdings returned to this refuge.

22 I also personally appreciate the addition to Shuyak
23 Island State Park. This is another one of my favor haunts and
24 it's value for tourism, recreation and habitat protection has
25 been immeasurably enhanced by this acquisition. The park is a

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1 premier destination for sport fishermen, kayakers, campers,
2 wildlife viewers and the general nature lovers. It is
3 relatively easily accessible by float plane from both Homer and
4 Kodiak, and offers an unparalleled variety of recreational
5 opportunities and a safe marine and uplands environment.

6 I am familiar with many of the other purchases on the
7 Kenai Peninsula and Kodiak Island Archipelago and find them to
8 be extremely valuable acquisitions. This is a very good start
9 but there are still many more significant parcels out there
10 that would be very appropriate additions to our parks and
11 refuge system. I regret that it took an oil spill, but at
12 least we can leave the legacy of integrity through our
13 protected lands which will become increasingly important and
14 more appreciated as development encroaches on our special
15 places.

16 I urge you to continue to make land acquisition for
17 habitat protection and recreational opportunities a high
18 priority as you decide how to spend your Restoration Reserve
19 Fund.

20 And secondly, on behalf of the board of directors and
21 the members of Katchemak Heritage Land Trust and Peninsula One,
22 a nonprofit land conservation organization, I encourage your
23 continued commitment to habitat preservation. KHLT works with
24 willing land owners to protect significant wildlife habitat and
25 open space and we're pleased to play a role in demonstrating

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1 widespread community support for the Overlook Park small parcel
2 acquisition and for the proposed Homer Spit/Beluga Slough
3 purchase.

4 Preserving natural habitat and open space contributes
5 directly to the quality of life for area residents and visitors
6 and provides economic benefits to our communities by protecting
7 natural resources upon which tourism and fisheries depend.
8 Please keep up your good work and make habitat protection a top
9 priority for dedicating Restoration Reserve Funds.

10 Thank you.

11 CHAIRMAN PENNOYER: Thank you very much,
12 Ms. Griswold. Are there any comments or questions from the
13 Trustee Council?

14 (No audible responses)

15 CHAIRMAN PENNOYER: Thank you. Is there
16 anybody else in Homer that wishes to testify?

17 MS. BRODIE: Yes, this is Pamela Brodie,
18 B-r-o-d-i-e. First of all, I'd like to thank the Trustee
19 Council and Molly and Alex Swiderski and many other members of
20 your staff for the hard work that they have been doing on
21 negotiations with Afognak Joint Venture. These are very
22 difficult decisions that the Trustee Council faces and I know
23 the staff has been working very hard to try to figure out a
24 good package for land acquisition, and we really appreciate
25 that hard work. As far as the last I heard, the negotiations

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1 seem to be moving along all right and we're happy about that
2 and are optimistic about a culmination of this deal. We do
3 hope the Trustee Council will be open to spending more than
4 70,000,000, if that is necessary, to get a good package.

5 I'd also like to say a little bit about the Restoration
6 Reserve. I notice from the packet that there has been enormous
7 support for a small parcel acquisition in Valdez, Mineral
8 Creek. And I think that this sort of thing is going to
9 continue to happen in the years ahead, that small parcels will
10 become available, small parcels which will sometimes be
11 extremely important to the coastal communities, the oil spill
12 communities or to Alaskans and Americans in general. And it
13 would be tragic if there were not money in the future to get
14 these small parcels as they become available and the
15 Restoration Reserve is going to be -- people are going to count
16 on having some of that money available for habitat acquisition.

17 Thank you.

18 CHAIRMAN PENNOYER: Thank you very much,
19 Ms. Brodie, for your testimony. Are there questions on the
20 testimony from the Trustee Council?

21 (No audible responses)

22 CHAIRMAN PENNOYER: Thank you very much. I
23 think we'll go ahead and continue, then, in Homer. Are there
24 other people in Homer that want to testify?

25 MR. SONEROFF (ph): Yes, my name is Derek

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1 Soneroff (ph) and I'm representing myself and my testimony is
2 very short. I'd just like to go on record encouraging you to
3 continue making habitat protection a top priority as you
4 continue to work. I certainly appreciate what you've done up
5 until now.

6 Thank you.

7 CHAIRMAN PENNOYER: Thank you very much.

8 Questions from the Trustee Council?

9 (No audible responses)

10 CHAIRMAN PENNOYER: Thank you for your input.

11 Any other people in Homer that want to testify?

12 (Pause)

13 CHAIRMAN PENNOYER: Okay.

14 HOMER LIO: There are people in Homer.

15 MS. McCARTY: Wait.

16 CHAIRMAN PENNOYER: Oh, okay. Didn't mean to
17 cut you off. Go ahead.

18 MS. McCARTY: Yeah, hi, my name is Marie
19 McCarty, M-c-C-a-r-t-y, and I want to reiterate Derek's
20 Soneroff's (ph) comments that the -- continuing -- EVOS
21 continuing to set aside money for land acquisition is clearly a
22 goal and continues to be very important and I want to support
23 that and it's something that you should continue to do.

24 That's it, thanks.

25 CHAIRMAN PENNOYER: Okay, thank you very much.

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1 Trustee Council member questions?

2 (No audible responses)

3 CHAIRMAN PENNOYER: Okay, thank you. So we
4 didn't cut it off. Is there anybody else in Homer that wants
5 to testify?

6 MS. KABISCH: Yeah, there's at least one and
7 maybe one -- I guess I'm the last one.

8 CHAIRMAN PENNOYER: Okay, go ahead.

9 MS. KABISCH: My name is Sally Kabisch and I'm
10 representing Sierra Club today and I just wanted to make a
11 couple of comments. I was in Anchorage last week or the week
12 before and we met with the Trustee Council staff on the work
13 that they're doing on Afognak and we were very impressed and
14 pleased with the level of detail and the commitment that they
15 shown to finding a solution on Pauls and Laura Lake and I just
16 really want to extend our appreciation to the Trustee Council
17 and the staff for that work. And say that it was a difficult
18 meeting because there's clearly lots of valuable habitat on
19 Afognak Island that's worthy of protection. And urge the
20 Trustee Council to look at the information that the staff has
21 developed and consider allocating more money to that
22 acquisition, it's clearly deserving of more attention and more
23 money.

24 I also want to say that we really appreciate the work
25 and the position the Trustees took on Murkowski's -- initially

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1 his Justice appropriation's rider and then the bill that he's
2 introduced. We really appreciate the strong stand that you
3 took. We do support increasing, you know, the ability to get a
4 higher return on your investments, but we are firmly opposed to
5 his efforts to intrude on the Trustee Council process. And we
6 would urge you to continue your work on that, of course, and
7 continue opposing any effort to duress Trustee Council
8 decisions. And I would offer that we at Sierra Club are ready
9 to help you in any way that we can to achieve a good solution
10 on that issue. So thank you very much for that.

11 And, finally, I wanted to add my voice to -- and the
12 Sierra Club's voice to the support for continuing habitat
13 protection through land acquisition as a purpose of the
14 Restoration Reserve. I think other people here in Homer have
15 said it better than I probably could, but it's clear that it's
16 an important program and we need to have continuing habitat
17 protection. We never know in the future what lands may become
18 available, and I can think of owners and properties just down
19 here on the Southern Peninsula, across the bay, and out near
20 Kodiak that may become available in the future and I really
21 would not want to see that opportunity closed down.

22 So thank you very much.

23 CHAIRMAN PENNOYER: Thank you very much for
24 your testimony. Are there questions from the Trustee Council?

25 (No audible responses)

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1 CHAIRMAN PENNOYER: Thank you very much then.
2 Shall we move on then to Juneau, are there people in Juneau
3 that wish to testify?

4 MR. BRISTOL: Yeah, my name is Tim Bristol
5 and I'm just here representing myself today. I just wanted to
6 say I wholeheartedly support and appreciate the habitat
7 acquisition program. It's been a great -- I know it's an
8 overused statement, but it's really is a win/win situation.
9 I'd also like to encourage the Trustee Council to use the
10 Restoration Reserve for more habitat acquisition, I think the
11 will is there from both corporations and from the public and I
12 hope we can continue to have this win/win situation continue
13 into the future.

14 I also would like to thank the Trustee Council for
15 their work trying to acquire key parcels around Pauls and Laura
16 Lakes. I had the opportunity to fly over Afognak Island a few
17 years ago and Pauls and Laura Lakes was just spectacular and
18 especially when you compare it to the places, say, like around
19 Kitoi Lake and places like that where, you know, there's been
20 quite a bit of pretty heavy duty clear cut logging and I'd hate
21 to see the same kind of thing happen at Pauls and Laura Lakes.

22 I also wanted to show my support to the Trustee Council
23 for standing up to Senator Murkowski who's criticizing this
24 amazing positive that came oulike O6lmribpleturagday. Iespnat

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1 taken the action that they have recently in regard to the
2 wetlands acquisition near Homer.

3 Having said that, I'll go ahead with my written
4 testimony which is as follows: I would like, first, to thank
5 you for your actions in acquiring title to, or in some cases
6 conservation easements, to protect lands valuable for wildlife
7 habitat. I believe that it was Will Rogers who said of real
8 estate, "They're not making any more of it." Therefore, your
9 actions to protect such areas now may be our last chance ever
10 to do so. Some people, such as Senator Murkowski, have been
11 critical of you for having done this, but I commend you for it.

12 Second, I'd like to encourage you, very strongly, to
13 continue this effort. I believe that while research is
14 generally a good thing, there may be other sources of funding
15 for these activities. The Restoration Reserve monies you have
16 the power to allocate are the only source of funding for
17 habitat protection on the scale I believe is necessary that I
18 see as being politically likely to become available.

19 I thank you for your hard work in the past and thank
20 you for your consideration of my comments today.

21 CHAIRMAN PENNOYER: Thank you very much, sir.
22 Are there questions from the Trustee Council?

23 (No audible responses)

24 CHAIRMAN PENNOYER: Well, thank you very much
25 then. Can we -- let's go on to Kenai. Anybody from Kenai.....

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1 MS. BROWN: That was Kenai.

2 CHAIRMAN PENNOYER: That was Kenai, okay,
3 sorry. Anybody else?

4 MR. BROOKMAN: That was Kenai.

5 CHAIRMAN PENNOYER: Yeah, anybody else from
6 Kenai wish to testify?

7 MR. BROOKMAN: No, there's no one else here
8 that wants to testify.

9 CHAIRMAN PENNOYER: Okay, thank you very much.
10 I think we'll come back to Anchorage now and start in
11 Anchorage. And I have a sign-up sheet here and some people
12 have or haven't indicated whether they want to testify, so I'll
13 call the name out. And, Mr. McKee, you indicated you wished to
14 testify? Would you please come up.

15 MR. McKEE: My name is Charles McKee and the
16 spelling of the last is M-c-K-e-e. And although I have
17 listened to a lot of testimony in favor of land acquisition,
18 the majority isn't always right on this issue. And I'll lay my
19 foundation on this book, Princeton Hall, Series of Mathematical
20 Analysts of Social Behavior. And in relationship to Senator
21 Murkowski's interest in certain bureaucratic individuals, I'm
22 looking at the mathematical formula that received the Nobel
23 Peace Prize. And that was in 1997 and it's in relationship to
24 options, financial transactions that give the right but not the
25 obligation to buy or sell a certain security at some future

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1 date at a predetermined price.

2 I'll go back to Princeton Hall's Series and
3 Mathematical Analysts in Social Behavior. Now, I'll open up to
4 chapter two, In Relationship to Carnegie Technological
5 Institution, and I'll read the arithmetic index in relationship
6 to everything that I've always talked about and -- when I come
7 here is money. And the fact that we are renting from the
8 Federal Reserve Board capital, and here's the equation, which I
9 wasn't aware of existed, but here it is and it's rent to
10 capital and the wage to labor in this equation on (sic) chapter
11 two of this book and it's copyrighted in the year of '66.

12 And the Carnegie Institute of Technology -- now it's
13 basically -- the principal is affirmative action. It's a very
14 defined affirmative action. My particular work that I
15 copyrighted I title it Millennium and on the final page I refer
16 to the equation and then, of course, the signet or the coinage
17 of this nation as we used to know it. And I sent it off to
18 the Chairman of Municipal Affairs in Washington, D.C., who was
19 Delums (ph), Congressman Delums (ph) out of California and he
20 was the Chairman of the Municipal Affairs, he's been the point
21 man for National Security Committee, he's now retiring. And in
22 this photograph he's got his hand raised up in a clenched fist.
23 I had no idea what background -- I new he was male by his name,
24 but I didn't know anything about his affiliations with
25 affirmative action, but in the broader sense.

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1 I first laid out my foundation on math because when you
2 find out the mathematical equation they're using, it becomes
3 fact, it's not conjecture, you don't have to build up a whole
4 bunch of circumstantial evidence to prove your case, if you
5 know what math they're using and realize it, then it's a fact.

6 I'm breaking up in my voice because I get really
7 frustrated, angered and such. Tuesday night I did the same
8 thing in front of the Assembly. When I realize what they've
9 been doing all along is stealing my rights and everybody
10 else's. The 5th of December I went before the -- well, I was
11 at the luncheon where Murkowski was speaking, at the NBA
12 luncheon, and I thanked him for his attempts to undermine the
13 resistive activity in relationship to me and my interest. And
14 shortly after that this attorney representing the public in his
15 office, his constituents and talking about the Internal Revenue
16 Service code, and I might add you people are concerned about
17 your economic fees on your bank accounts and so on. And so I
18 bring this in also and I asked this attorney in relationship
19 this math, why are we even talking about flat rate tax or a
20 national sales tax on our monies when indeed we're already
21 paying a fee, a rental fee, which is a lease. Previous
22 attempts, such as John F. Kennedy, tried to rid ourselves of
23 this leasing fee. And, of course, we know what happened at
24 that point after he put out United States Notes in '63.

25 So it's like when we want to eliminate this leasing

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1 agreement they hold a gun to our head. And that is not a
2 criminal action. So when you're stealing my rights and
3 ignoring it in relationship to social behavior activity, so
4 you're undermining -- you're going for the emotional behavior
5 of a majority testimony and action on the right use of this
6 money. Ignoring the environmental impact in the strata of
7 water column below the surface to the bottom of it where the
8 oil settled impacting the algae and the shrimp and the crab,
9 that have to crawl through that muck.

10 And, of course, it brings open a whole bunch of other
11 issues. Did we settle for enough money? It hasn't even been
12 paid, they're still arguing that. When you find out the
13 expense of going into the depth of Prince William Sound to
14 cleanup that oil, \$5,000,000,000 won't touch it.

15 Thank you.

16 CHAIRMAN PENNOYER: Any questions of Mr. McKee
17 from the Trustee Council?

18 (No audible responses)

19 CHAIRMAN PENNOYER: Okay, thank you very much.
20 Let's go on in Anchorage here. Arliss Sturgulewski, please.

21 MS. STURGULEWSKI: My name is Arliss
22 Sturgulewski, I'm here as an individual, Mr. Chairman, members
23 of the Council. I'll be very brief, but I do want to thank you
24 for your interest in the planning that's going on, the
25 long-term use of the Restoration Fund. I think I appeared,

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1 perhaps, at the first meeting wanting to see a longer term
2 after your term interest in carrying on research. And there's
3 going to be a lot of lively interests, but I am looking forward
4 to the public process. And I think in your whole life span of
5 this group you've been very good in inviting the public in.

6 I'd like to throw out an idea that I'll hope you'll
7 look at as your developing the long-term use of that, and that
8 is an extraordinary opportunity that we have for coordination
9 and interrelationship with the Bering Sea. Kind of an
10 interesting -- some of the things that are coming out of
11 limited knowledge that we have on the Western Bering Sea in
12 terms of the pollock stocks. We found that there is some
13 relationship but not really documented between the Western, the
14 Central, the Eastern and even the Gulf. And with Senator
15 Steven's action with the Dinkum-Sands coming in, he's created a
16 -- it's interesting, I think we have at least 19 agencies that
17 are going to be represented in this megaboard. There's got to
18 be a way that that can be tied into research and restoration
19 efforts that you're making. And what an opportunity where we
20 have one of the, perhaps, remaining healthy fisheries and it's
21 got to be looked at, I think, over a long-term, rather than a
22 short-term interest.

23 When I was in the legislature we used to do some
24 funding of, say, \$300,000 for an issue on the Yukon River or
25 something on the Kuskokwim on offshore that was limited, one

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1 year duration. And so what you found is that you didn't have
2 the baseline data. You've done a marvelous job of setting up a
3 computerized system to pull together this information, it would
4 be tragic if we didn't continue that and didn't find a way to
5 pull in what's going to be going on in the Bering Sea.

6 So with that -- I'll certainly be back, but I commend
7 you for your efforts and look forward to the process. Thank
8 you.

9 CHAIRMAN PENNOYER: Thank you very much. Are
10 there questions of Senator Sturgulewski? Thank you very much.
11 Oh, Ms. Williams.

12 MS. D. WILLIAMS: More in the way of comment.
13 Arliss' presence reminded me of two things. One which she
14 commented on, one which she did not, but I was intending to
15 give the Trustee Council and members of the public a brief
16 update on the library named ARLIS.

17 MS. STURGULEWSKI: They misspelled my name.
18 Only put on S on it, so I have a problem.

19 MS. D. WILLIAMS: But we had the grand opening
20 a few weeks ago, which was widely attended, Senator Stevens was
21 there, Lt. Governor was there, the Mayor was there and many
22 dignitaries. The library is going great guns and, of course,
23 as we all know, the Oil Spill Library has merged with seven
24 other libraries and it's really gotten rave reviews from the
25 public as well as from the bureau, so I again thank the Trustee

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1 Council for participating in this consolidation, supporting it
2 and I really do think the public as well the agencies are
3 benefiting.

4 With respect to the Bering Sea tie in, as Steve alluded
5 to in the introductory comments, we did have a Bering Sea
6 conference, a very successful Bering Sea conference a week and
7 a half ago with over 200 participants and as Arliss just
8 mentioned, one of the issues that came up in that was the fact
9 that Senator Stevens has created the North Pacific Research
10 Board. The Chairman today, Steve Pennoyer, is taking a strong
11 lead in helping to pull that together and guide it. And one of
12 the things that was discussed at the conference was
13 coordinating the research efforts in the Bering Sea and in
14 Prince William Sound and the entire North Pacific. We really
15 do look forward to that and we look forward to your continued
16 participation.

17 MS. STURGULEWSKI: Fine, thank you.

18 MS. D. WILLIAMS: Thank you.

19 CHAIRMAN PENNOYER: Thank you. Thank you,
20 Ms. Williams. Okay. Let's go on Anchorage for a bit then.
21 Dave Cobb. Mr. Cobb, Mr. Mayor.

22 MR. COBB: Good morning, ladies and gentlemen.
23 My name is Dave Cobb, I'm also the Mayor of the City of Valdez.
24 I'm here to ask your support for the Blondeau parcel purchase.
25 This is an area, we feel in Valdez, merits special attention.

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1 The AMSA designation has been given to the Duck Flats in
2 Valdez. This area on the other side of town is just as
3 deserving. We felt that the low-moderate designation that had
4 been given to it was -- did not -- was not significant enough,
5 was not -- did not cover the actual restoration potentials for
6 wildlife that it should have. Just recently I was on the
7 Blondeau parcel and walked out some of the creeks you can see
8 on your map. There was 31 harlequin ducks utilizing that area.
9 This is a significant area for restoration potential for
10 injured species.

11 One of the big things that really hasn't been brought
12 out is the encroachment upon this area by development. There's
13 been about, in this general vicinity, 26 new homes have gone in
14 in the last several years. This is an area that if it's not
15 protected will be encroached upon and may go away.
16 Mr. Blondeau is a willing seller. The City of Valdez believe
17 that this is a significant area, we've gone so far as to donate
18 50 acres of land to this process in hopes that you will
19 consider this land for purchase.

20 Thank you.

21 CHAIRMAN PENNOYER: Well, thank you very much.
22 Are there questions of the Mayor? Yes, Ms. Williams.

23 MS. D. WILLIAMS: Thank you, Mayor Cobb for
24 joining us today. What do you assume your 50 acre donation
25 represents in terms of monetary value?

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1 MR. COBB: It's hard to place a value. From
2 the wetlands perspective it's probably irreplaceable in Valdez.
3 There no other lands if you chose to develop that area that you
4 could replace it with. I think it's significant in the sense
5 that it is prime wetlands, undisturbed, you know, so to put a
6 value on it, it's irreplaceable.

7 MS. D. WILLIAMS: That's fair enough. And
8 thank you so much for that offer. In looking at the city's
9 resolution I note that the property would be used and managed
10 for public recreation. I also note, of course, as I'm sure the
11 rest of us do, that you're looking at establishing a joint
12 city/state management team to development management plans for
13 the property. Do you have any preliminary thoughts in that
14 regard?

15 MR. COBB: No, I think -- right now I don't. I
16 know working with the local Parks Advisory Commission they will
17 certainly be involved in that process. We have not had any
18 preliminary discussions with the State or any other agencies as
19 far as management of that, but we're there to work with them.
20 Whatever needs to be done, we're there to help them.

21 MS. D. WILLIAMS: Thank you.

22 CHAIRMAN PENNOYER: Mr. Tillery, do you have a
23 question?

24 MR. TILLERY: Yes. Mayor Cobb, in the
25 resolution I note, and I don't want to get too technical here,

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1 but it does -- it talks about the City Council agreeing to sell
2 a parcel the Exxon Valdez Trustee Council and then it goes on
3 to talk about on condition that the Council purchase the
4 Blondeau parcel. The way that we work this is the Council
5 doesn't purchase or buy any land at all, we simply provide
6 money, in this case the Department of Natural Resources for the
7 State of the Alaska. Would I be correct in assuming that this
8 resolution would -- you could just substitute in DNR.....

9 MR. COBB: Absolutely.

10 MR. TILLERY:for the Trustee Council and
11 that would be valid?

12 MR. COBB: Certainly.

13 MR. TILLERY: Okay.

14 CHAIRMAN PENNOYER: That it?

15 MR. TILLERY: Yes.

16 CHAIRMAN PENNOYER: Okay, thank you very much.
17 Any other questions? Ms. Williams.

18 MS. D. WILLIAMS: I have one question for,
19 perhaps, Mr. Tillery. Does Legislative Budget and Audit of the
20 Legislature have to approve a donation?

21 MR. TILLERY: Well, in this case it wouldn't be
22 a donation, the offer is to sell it.....

23 CHAIRMAN PENNOYER: For \$10.

24 MR. TILLERY:for \$10.

25 MS. D. WILLIAMS: Um-hum.

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1 MR. TILLERY: So, yes, they would have to
2 approve that purchase. If it were donated, I guess I'd have to
3 go look, but I don't think they have to approve a donation. I
4 believe there's statutory authority to accept it.

5 MS. D. WILLIAMS: Okay.

6 CHAIRMAN PENNOYER: Okay. Thank you,
7 Mr. Mayor. Lora Johnson. Good morning.

8 MS. JOHNSON: Yes, my name is Lora Johnson and
9 I am Director of Tribal Development and Operations at
10 Chugachmiut. I understand you want to keep the public comment
11 to about five minutes.

12 CHAIRMAN PENNOYER: Would you pull the
13 microphone over a little bit, please and -- okay, that's good,
14 go ahead.

15 MS. JOHNSON: So what I will do is I'll give a
16 short summary of what I would like to say and then if there are
17 additional questions, either now or later, I will be available.

18 What I just handed out was a short letter to Molly
19 McCammon, and perhaps I will read this letter. I think it will
20 answer some of the questions that were asked earlier, and
21 again, I can elaborate on any of those. The letter basically
22 reads: Dear Molly,

23 As a result of the recommendations made during the
24 Public Advisory Group Meeting on November 5th and your letter
25 to Mr. Brown and Mr. Tabios on November 17th, Chugachmiut

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1 hosted a meeting to address archaeological restoration in the
2 Chugach region and specifically the draft Resolution of the
3 Exxon Valdez Oil Spill Trustee Council Regarding Additional
4 Repositories dated 9/29/97. Invited participants included
5 village council presidents or representatives, EVOS Community
6 Involvement Facilitators, and village and regional corporation
7 presidents or representatives. The meeting was held on
8 December 15th, this last Monday, and Derenty Tabios served as
9 the meeting facilitator. The meeting addressed both the
10 corporation and community proposals and a recommendation to the
11 EVOS Trustees has been developed.

12 We appreciate the Trustee Council's willingness to
13 provide time for us to review and discuss the draft resolution
14 dated 9/29/97. Community representatives who participated in
15 the October 22nd meeting suggested changes to the draft
16 resolutions and these recommendations were again supported
17 during the December 15th meeting. A copy of the draft
18 resolution with suggested changes, and it's dated 10/23, is
19 enclosed.

20 And to give the highlights of what those suggested
21 changes are, I listed them here.

22 Number 1. That funding for the construction of new or
23 innovated community facilities for display be listed up to
24 \$300,000 per community or a total of \$2.4 million.

25 Funding for establishing a regional repository in the

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1 amount of \$400,000. And this would be an upgrade of one or a
2 maximum of two local display facilities or renovations to an
3 existing facility to serve as the regional repository.

4 Number 3. Funding for the development of traveling
5 displays up to 200,000.

6 And number 4. Reasonable project administrative and
7 management costs should also be allowed in the proposal.

8 The total funding amount in the revised draft
9 resolution is identified as 3,000,000 and administrative and
10 management costs estimated to be up to approximately 500,000.

11 We appreciate the Trustee Council's continued interests
12 in working with the Native people of the Chugach region in the
13 restoration of archaeological resources in Prince William Sound
14 and Lower Cook Inlet area. We are aware of the challenges that
15 are involved in developing a full proposal by the April 15th
16 deadline and we believe that we will be able to satisfy the
17 concerns about the establishment and long-term operation and
18 maintenance of these facilities. I am here at the Trustee
19 meeting today and I am able to answer questions that you might
20 have.

21 I attached a number of different attachments to this
22 letter, and maybe I'll just run through them very quickly. The
23 first is the meeting announcement for our meeting on December
24 15th. This is the meeting that was referred to by the Public
25 Advisory Group. And what was recommended among ourselves at

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1 the time was that Derenty Tabios chair the meeting. He is both
2 the Executive Director at Chugachmiut and also the Chairman of
3 the Board at Chugach Alaska Corporation, so everyone felt
4 comfortable with him chairing it and felt that we didn't need
5 an outside facilitator. So that was one of the questions that
6 was asked earlier.

7 The meeting addressed both the corporation proposal and
8 that is the proposal that included a regional repository in
9 Seward. And that followed the outline of the original draft
10 resolution where it was listed at 1,000,000 for regional
11 facility, 200,000 per community for community facilities for
12 display and then the 200 for the display program.

13 We then gave an overview of the Chugach communities'
14 proposal which then alters those numbers as I've highlighted
15 just a little bit earlier in the letter and, again, that was
16 with a total amount for 400,000 for the regional, 300,000 for
17 the community facilities and then leaving also the 200,000 for
18 the display program, the traveling display program. The
19 meeting itself lasted about two hours and there was discussion
20 among the group and I believe everyone had an opportunity to
21 talk.

22 The next page in the packet includes the list of those
23 that were invited to the meeting and also a list of those that
24 were present, either in person or by teleconference. I'd like
25 to point out that those that were present by teleconference,

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1 that some of them were there for certain parts of the meeting
2 and so may not have been there the entire time. And also I
3 know that Port Graham, Walter Meganack who was present for part
4 of the meeting had a very hard time hearing us. So he was
5 there but he may not have really heard everything that was
6 going on.

7 And, again, at the conclusion of the meeting on Monday,
8 the recommendation was that we have a taskforce that was
9 created -- that we created and it included representatives of
10 the corporations and also the communities. And the idea was
11 that we would meet and sort of fine tune what we had discussed
12 during the meeting and be prepared to talk at the meeting here
13 today.

14 We did an informal meeting, those that were able to
15 attend, we actually met, we talked yesterday. Chuck Totemoff
16 was invited to participate, but he declined in the end. Carrol
17 Kompkoff was also invited and I understand he also declined. I
18 had left messages and he actually was not able to attend on the
19 15th as well. Sheri Buretta participated and John Johnson from
20 Chugach Heritage Foundation and Chugach Alaska Corporation
21 participated. So basically that was sort of our fine tuning
22 what we understood the outcome of the meeting on Monday was.

23 The next page in there is the proposed resolution that
24 was discussed at the Public Advisory Group meeting, the
25 original one, and the next two pages in is what we might call

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1 the community suggested revisions. And, again, I highlighted
2 those in the letter. One other thing that I would note is that
3 we dropped one of the first paragraphs, it's number 1 in the
4 original one which says, to inform the communities of the
5 Chugach and Lower Cook Inlet Region about the desire to fund
6 repositories but sort of the inability to justify use for
7 repositories in each community. We felt that the communities
8 were aware of this and our revised proposal didn't include
9 repositories in each community, so we basically thought that
10 this was not really necessary, but basically addressed what
11 we're really looking at, so I dropped that paragraph as well.

12 But the key points then I highlighted in the letter
13 and, again, it's basically the change in the dollar amounts.
14 Instead of the regional repository for 1,000,000, it's 400,000,
15 possibly divided between two communities and again that would
16 be used to upgrade these display facilities in the communities
17 or use in some facility that's already existing there. The
18 second is then with the local display facilities, that that
19 amount -- it was recommended that that be increased from
20 200,000 per community to 300,000, and again, this is based on
21 the estimates from the architects where they basically say, to
22 build a new facility you need a minimum of about 300,000. And
23 so that's where those estimate really came from.

24 And then third, the -- number 3, the developing of
25 traveling exhibits, we left that the same because I know that

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1 there is a need for funding for both the traveling exhibits but
2 also just the establishment of permanent or traveling exhibits
3 within the repository and then these display facilities. So
4 there is a need for some sort of funding there.

5 In our original plan, going back a ways with the
6 comprehensive plan, we didn't include this because we were
7 trying to keep costs down and felt that at one time we would
8 prefer to take that on ourselves and put the funding into the
9 communities, but our attempt, also, was to try to stay as close
10 to the proposed draft resolution as possible. And, again, the
11 main focus, I guess, of the communities is the need for local
12 facilities. And while we have promoted repository facilities
13 in each community for the last few years the focus on display
14 facilities is also acceptable, but also we see the need for a
15 repository facilities. And the wording in the draft resolution
16 leaves this as a possibility in the sense that in the future
17 the display facilities could be converted to repositories,
18 using non-Trustee Council funds. So a lot of the things that
19 we were looking at originally are in this draft resolution and
20 there's a lot of support for it.

21 I basically suggested that we go ahead and put it all
22 out on the table because we could identify other funds and, as
23 you probably note, the total is \$3,000,000 plus the
24 administrative and management costs up to approximately 500,000
25 and we just thought we might as well get it all out on the

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1 table, but the 2.8 is a very good start in terms of a
2 discussion and we are very, you know, supportive of this, but
3 again, I guess if we were to say what we really want, it's just
4 a little bit more to try to do the project in a very thorough
5 way.

6 Also along those lines, I guess one could say, that if
7 the Trustees were interested in doing sort of the full blown
8 project with everything that everyone wants, that we could up
9 the regional repository amount an additional couple hundred
10 thousand dollars, and that combined with the local facility
11 would get closer to the million, so we're still flexible, you
12 know, with some of these, but we've just identified the 300,000
13 for the community facilities as one of our kind of core
14 interests there, I guess, is the way to put it.

15 In terms of a couple of different questions that came
16 up earlier, and I'll wrap it up here real quickly, the question
17 regarding the \$2.8 million amount, I think it was basically
18 because of the original draft resolution, just how it was
19 outlined and during the Trustee meeting, gosh, it must have
20 been back in September, when it was -- when the draft was first
21 introduced, I believe it was there. We had recommended that
22 the Trustees hold off on making any kind of decision on it so
23 that the communities have a chance to discuss the resolution
24 and during the -- and over the next couple of months, October
25 and then again now here in December, we have had the

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1 opportunity to go through it and present our recommendations
2 and we're really looking to the Trustees for your kind of
3 feedback, that type of thing, because we're really excited
4 about the prospect of facilities and archaeological restoration
5 all being the EVOS artifacts.

6 Let's see. I think that's it. Is there any.....

7 CHAIRMAN PENNOYER: Thank you very much,
8 Ms. Johnson. Questions for Ms. Johnson? Yes, Mr. Rue.

9 MR. RUE: Yeah, Lora, a quick question. I'm
10 looking through the proposal here and the \$500,000 for admin,
11 I'm not sure, I don't see that in the proposal.

12 MS. JOHNSON: Yeah. What that is, and this --
13 that 500,000 that was discussed during our meeting in October
14 and what it was, was we looked at the numbers and the target
15 number for the facility itself, for a new or renovated
16 facility, the architects have said that that's about 300,000.
17 And we thought, well, from a real practical point of view that
18 you need some sort of administrative support or management
19 support to actually make that happen. So we, at that time, had
20 suggested approximately 50,000 per community to actually make
21 it happen and then to also possibly up to another 100,000 at
22 the regional level to really make the whole program happen. So
23 in other words.....

24 MR. RUE: The construction? To actually make
25 the construction happen?

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1 MS. JOHNSON: Yeah, to make the construction
2 happen, because the 300 would be slated for the building itself
3 and, you know, the construction part there, at least that's our
4 understanding, speaking with the architects and also I've
5 spoken with our housing authority and they also recommend, you
6 know, the larger amount, that type of thing. So that's where
7 that number came from, we just -- we thought we might as well
8 put it out because it will cost something to administer the
9 entire program.

10 MR. RUE: Thank you.

11 MS. JOHNSON: Um-hum.

12 CHAIRMAN PENNOYER: As a follow-up, though,
13 then half a million of something, this is the community would
14 -- you're not asking the Trustee Council for three and a half
15 million? In total?

16 MS. JOHNSON: Well, we're asking you to
17 consider it, that type of thing.

18 CHAIRMAN PENNOYER: Okay. Yeah.

19 MS. D. WILLIAMS: Mr. Chairman, related to this
20 inquiry.

21 CHAIRMAN PENNOYER: Go ahead.

22 MS. D. WILLIAMS: Are you seeing the half
23 million dollars management and administrative costs to be an
24 annual request or a one time only?

25 MS. JOHNSON: No, no, this is the one time --

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1 and my understanding is that we are looking at the draft
2 resolution and that the full proposal then would be submitted
3 in April and perhaps the management costs would actually go
4 down once we detail out how it would work with contractual work
5 versus, you know, programs, you know, operated by various
6 organizations. So we were looking at these as sort of the
7 upper limits that I thought we might as well put it out on the
8 table and.....

9 CHAIRMAN PENNOYER: Mr. Wolfe.

10 MR. WOLFE: Mr. Chair, just a point of
11 clarification under Section 1a you talk about the regional
12 repository must at least meet the following conditions, and
13 that's adequate physical plant and professional staff to
14 provide long-term curatorial services for spill-related
15 artifacts.

16 Then on item c under that, then you say, the potential
17 to produce adequate revenues to cover future operating costs or
18 commitments. It's not clear to me if you're anticipating that
19 the Trustee Council would be expected to provide for staff or
20 if -- so it seems to me.

21 MS. JOHNSON: No. No, we're not asking for
22 operation and maintenance costs for the facilities. We're
23 actually looking at different possibilities and some of the
24 display facilities or the regional repository maybe actually
25 able to generate income. So we're looking at -- in other

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1 words, what we're looking at is when we do our proposal in
2 April, sort of the full outline of what it's really going to
3 look like, I suspect it would be like a three or four year
4 program for doing the construction and all the planning
5 involved with it. Each community then would be responsible for
6 developing the real detail, what it is that the facility is
7 going to look like in the community, whether it's the local
8 display facility or whether they add on the additional
9 repository funding for the regional facility. And they -- at
10 that time also, we would have the details about where the
11 operation and maintenance funds are coming from. Whether it's
12 coming from the community funds, whether it's coming from a
13 business plan in terms of revenues, this type of thing. So
14 we'll be looking at all of those. And I know that the Council
15 staff would be looking at each one of these and I understand
16 that they'd be interested in independent review of this to see
17 that they are reasonable projections for each particular
18 facility in operation and maintenance. Did that.....

19 MR. WOLFE: Okay, so you're not anticipating
20 that the resolution would provide funding for professional
21 staff, so.....

22 MS. JOHNSON: No. No.

23 MR. WOLFE: Okay, there was some confusion
24 since you had that in there.

25 MS. JOHNSON: No. I'm sorry, no.

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1 MR. WOLFE: Mr. Chair, one other point in this
2 is that has the group reached some consensus that they want to
3 upgrade, one of the, I guess, one of the village facilities to
4 accommodate the regional facility or maybe two? That's what
5 I'm understanding at this point.

6 MS. JOHNSON: Yes. Yeah, And during.....

7 MR. WOLFE: So you're not anticipating that
8 there would be kind of a regional facility and outside of the
9 eight villages?

10 MS. JOHNSON: No, it would be located in one of
11 the communities and we look.....

12 MR. WOLFE: So one of the village repositories
13 would also, maybe, then be part of a regional facility?

14 MS. JOHNSON: Yeah. One of the local
15 facilities for display would, you know, potentially be upgraded
16 to.....

17 MR. WOLFE: It would be a dual purpose then?

18 MS. JOHNSON: Yeah, it would be upgraded to the
19 regional repository. And we left it -- I left it open in terms
20 of that 400,000, you know, saying maximum of 400,000 and either
21 all in one facility or 200,000 divided between two. And again,
22 it's -- I know that by April we should be able to have
23 consensus on which community it would be. Because different
24 communities have already indicated that, no, they're not
25 interested in assuming the responsibilities of a regional

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1 repository. And so this amount here, that if one were to add,
2 say, the 400,000 to the 300,000 that would be the regional
3 repository for the amount of 700,000, does that make sense?
4 That that's the approach or two of them, each at 500,000,
5 because that would be adding 200,000 plus the 300,000 into two
6 communities. And, again, we're leaving that open for the
7 discussion among ourselves as to whether it's going to be on
8 community or whether it's going to be, perhaps, one community
9 in Prince William Sound and in the Kenai Peninsula area, that
10 type of thing. And, again, we would have that detailed and
11 specified in that April proposal very clearly what it is and
12 also how the long-term operation maintenance would be funded.

13 CHAIRMAN PENNOYER: Ms. Williams.

14 MS. D. WILLIAMS: I think my most significant
15 question with respect to this proposal is whether you've had a
16 chance, either individually or as a group, to determine, in
17 fact, that you could do an adequate regional repository for
18 \$500,000? Where before we were thinking in the million dollar
19 range to have an adequate facility with all of the necessary
20 controls and everything else. And this proposal would suggest,
21 on its face, that one could do one for 500,000.

22 MS. JOHNSON: What it is, is -- and that's one
23 thing that we would work out. It may be that we end up
24 deciding that we can't do it for that and, therefore, have to
25 go to the 700,000 amount. And I guess the -- what we're

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1 looking at is that it would be a smaller regional repository
2 than, you know, what might be proposed for a million dollar
3 facility, but the trade off there is that the community support
4 for the local display facility is so strong that we are willing
5 to reduce the size of the regional one. And again by a
6 community, you know, making the proposal for that one, they are
7 showing that they're serious about providing the services of
8 the regional repository, at least, we're not just going after
9 the funding because there are larger dollars available.

10 So that's sort of how we balanced it, you know,
11 recommended balancing it to really identify which community or
12 two communities are serious about this. And what I also see is
13 there are potentials for various types of cooperative
14 agreements with existing museums, for example, and I think we
15 can get those type of details worked out by the April 15th
16 deadline and have a real concrete proposal. And I would think
17 that for the 700,000, you know, if it was the one that, yes, we
18 could do it. It may not be as large of a building, but yes, I
19 think we could meet the requirements for a regional repository
20 and provide the services that we need.

21 CHAIRMAN PENNOYER: Thank you. Are there
22 further questions?

23 (No audible responses)

24 CHAIRMAN PENNOYER: Well, thank you very much,
25 very nice package and appreciate the work you've done on this.

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1 Thank you.

2 Let's continue on down the list in Anchorage, I think.

3 Bob Henrichs.

4 MR. HENRICHS: Hi. My name is Bob Henrichs,
5 I'm President of the Native Village of Eyak Traditional
6 Council. Thank you for the opportunity to testify. I'll start
7 off by saying our tribe thinks that the artifacts that have
8 been taken from Prince William Sound should be returned as soon
9 as possible. We don't think they should be in Anchorage,
10 Fairbanks, Seward or anywhere else. We think they should come
11 back to where they came from. We believe that we own them,
12 they are our ancestors and we want them back.

13 Our tribe had a proposal in to stage a Youth/Elders
14 conference on subsistence in the spring and we urge you to
15 support this. We also urge you to support the previous
16 testimony of Dr. Lora Johnson on the artifact repositories that
17 were put together in a united effort by all the people in our
18 region.

19 I'm going to take my tribal hat off now and speak as a
20 private citizen. The only reason I'm doing this is because I
21 haven't talked with my tribal council over some of these
22 issues. So on the spending of the Reserve Fund, I think you
23 guys have bought enough land, I think it's time to hold back on
24 land buying and I don't think you ought to spend any more money
25 on land.

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1 And that's about it.

2 CHAIRMAN PENNOYER: Thank you. Wait. Would
3 you wait a half a second?

4 MR. HENRICHS: Yeah, sure.

5 CHAIRMAN PENNOYER: Any questions from Trustee
6 Council members? Yes, Ms. Williams.

7 MS. D. WILLIAMS: With respect to the
8 Elders/Youth Conference proposal.

9 MR. HENRICHS: Yeah.

10 MS. D. WILLIAMS: Have you had a chance to
11 review the Executive Director's recommendation, which is to
12 fund contingent, and are you agreeable to the contingencies?

13 MR. HENRICHS: I did read that and I should
14 have included it. Our tribe has adopted traditional knowledge
15 protocols, we feel that's appropriate for our tribe. I can't
16 tell another tribe what they should adopt or the United States
17 or the State. And every tribe's circumstances are different,
18 so we've adopted them and we sent a copy of them in -- I think
19 we sent some into Hugh of what is appropriate for people that
20 want to get at our traditional knowledge.

21 MS. D. WILLIAMS: And one of the other
22 recommendations was a slightly reduced budget; is that
23 agreeable to you?

24 MR. HENRICHS: We could do that. We have a lot
25 of experience. We just recently staged our fourth annual

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1 Sobriety Day Celebration, we have a lot of experience doing
2 something like this. And we ate a whole moose. Of course
3 there was over 200 people there, so that wasn't much.

4 CHAIRMAN PENNOYER: Thank you. Are there other
5 questions?

6 (No audible responses)

7 CHAIRMAN PENNOYER: Thank you very much. Okay,
8 the next name I've got on the list in Anchorage is Patty
9 Brown-Schwalenberg, I believe.

10 MS. BROWN-SCHWALENBERG: Good morning,
11 Mr. Chairman and members of the Trustee Council. My name is
12 Patty Brown-Schwalenberg, I'm the Executive Director of the
13 Chugach Regional Resources Commission. We work with the seven
14 villages in Prince William Sound and Lower Cook Inlet on the
15 natural resource issues. Speaking as a staff and representing
16 our board of directors, we would also like to echo our support
17 for Dr. Lora Johnson's testimony regarding the archaeological
18 repository issue. It's been a difficult decision-making
19 process and I think the communities are coming together to come
20 up with an equitable solution to the problem and the issues.

21 I'd also like to support the Youth and Elders
22 Conference in Eyak. We've been working with Bob on that
23 project and have been holding some planning meetings and we did
24 go over the budget and reduced it, according to Molly's
25 recommendations, and are addressing some of the other issues

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1 she had. We got some helpful comments from Dr. Spies, and I
2 would like to thank him for those, regarding the agenda for
3 subsistence conference, so we'll be trying to incorporate those
4 kinds of things in there also.

5 The other issue is the Clam Restoration Project. I'd
6 like to, again, thank the Trustee Council for their continued
7 support for that. Right now we are -- the City of Seward had
8 passed a resolution to approve the contract between the State
9 Fish and Game and the city and also the contract between the
10 city and the Qutekcak Native Tribe. Qutekcak Native Tribe is
11 currently going through that contract with the city, there's a
12 couple of minor changes that need to be done and then it's
13 going to be voted on by the tribal council. We're looking at
14 signing the contract next Tuesday, so we're very thankful for
15 your support and patience and letting us work through this
16 contracting process also and with any luck and the Good Lord
17 willing, we'll begin by the first of the year in being able to
18 produce some, not only clams, but some other shellfish species.

19 In regards to the Restoration Reserve, I would just
20 like to comment that maybe instead of or in addition to the
21 habitat acquisition I would suggest that funding be provided to
22 the local communities to help with the stewardship of the
23 resources and the resource base that's already there. We do
24 have some natural resource programs that we're putting together
25 right now and every year Fish and Game's budget is getting cut

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1 or they're fighting for their budget. The tribes do have
2 funding for natural resource management, I think that would be
3 a good sound addition to the Restoration Reserve Project, is to
4 help the village develop their capabilities to assist in the
5 stewardship of the natural resources that are currently in
6 their local areas and work cooperatively with Fish and Game to
7 do that type of work.

8 And as an aside, we heard about Molly's illness and we
9 wish her well and I hope everything goes okay and we look
10 forward to when she can return back to work.

11 Thank you.

12 CHAIRMAN PENNOYER: Thank you. Are there
13 questions, Trustee Council?

14 MR. WOLFE: Mr. Chair.

15 CHAIRMAN PENNOYER: Yes, Mr. Wolfe.

16 MR. WOLFE: One brief moment. Could you expand
17 a little bit on this stewardship type workshops or.....

18 MS. BROWN-SCHWALENBERG: Yeah, when I -- what
19 we've been working on in Chugach region, anyway, is developing
20 the management capabilities of the villages so that they can
21 work cooperatively with Fish and Game and Fish and Wildlife
22 Service to take care of the natural resources that are out
23 there. I mean Fish and Game or the Fish and Wildlife Service
24 don't have the funding to manage all the millions of acres in
25 the State of Alaska and there's no better people qualified to

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1 know about those local areas than the people themselves. And
2 so I think if we work cooperatively and we bring three
3 management entities to the table with their own funding base, I
4 can't see that it would do anything but help the restoration
5 process with the, you know, management process. That's
6 basically where we're coming from. We're just starting our
7 program where the State has, you know, been doing it for many
8 years and the Feds have been doing it for many years, the
9 tribes are just in the beginning stages so we do -- I think it
10 would be appropriate to provide some development money for
11 education and training for that to happen.

12 MR. WOLFE: So what you're really are looking
13 for is some level of training but more of a partnership
14 arrangement that maybe could be developed between the villages
15 and some of the agencies for the stewardship of the private
16 lands.

17 MS. BROWN-SCHWALENBERG: Exactly.

18 MR. WOLFE: Okay.

19 CHAIRMAN PENNOYER: Okay, thank you. Yes,
20 Commissioner Rue.

21 MR. RUE: Mr. Chair, a couple of observations.
22 One, I agree, that I think that sort of a partnership is -- has
23 been very successful in places around the state, I'm looking
24 forward to it. I don't know if the Trustees will end up
25 funding it, but as a concept it's a good idea and we've been

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1 successful in other parts of the state and we need to build on
2 those successes.

3 And I guess, second, I'll be very happy when you all
4 and the City of Seward are the proud owners of -- or managers
5 of this facility. I can't wait.

6 MS. BROWN-SCHWALENBERG: Neither can I.

7 MR. RUE: And thank you for your patience, hard
8 work and perseverance. It's going to pay off in the end.

9 MS. BROWN-SCHWALENBERG: Thank you. I think
10 so.

11 CHAIRMAN PENNOYER: Thank you.

12 MS. D. WILLIAMS: Mr. Chairman.

13 CHAIRMAN PENNOYER: Yes, Ms. Williams.

14 MS. D. WILLIAMS: I was not aware until I read
15 the Chief Scientist's comments that quite a few tribes in the
16 spill area had not adopted the traditional knowledge protocols
17 developed under -- produced by this project. Do you know why
18 that is?

19 MS. BROWN-SCHWALENBERG: Yes, I do.

20 MS. D. WILLIAMS: Okay.

21 MS. BROWN-SCHWALENBERG: What happened was we
22 had a conference here at this office, I can't even remember
23 when it was, it was in March, I think, of last year, where we
24 developed these protocols, it was done as a community
25 cooperative thing, so everyone put these protocols together and

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1 then in that set of protocols, it was supposed to be used as a
2 guideline for scientists to work with the communities. And one
3 section there was that they should address ownership of the
4 information. Well, after those were all finished and they were
5 to be going out to the villages for adoption there was a -- I
6 think it was a Community Involvement Facilitators meeting or
7 some other meeting that Molly had said that anything funded by
8 the Trustee Council is public -- since it's public money it's
9 public information. And so a lot of the communities thought,
10 well, so if we adopt these protocols, since they were developed
11 with public money, that means we have to give everything that
12 we have to the Trustee Council or, you know, whoever wants it.
13 And so there was a little bit of a misunderstanding there.

14 Bob Henrichs also said that they -- some of the
15 communities had developed their own protocols and they, in most
16 cases, mirror the protocols that we worked on. But what were
17 doing now under the TEK Project is having community workshops
18 in each community and we're talking about some of the research
19 that's going on, but we're also addressing that set of
20 protocols, why they're there, how the communities can use them
21 to their benefit and protection. And so we're going to be
22 working on that -- we are working on that in this fiscal year,
23 so that we'll come back to the Trustee Council, if you're
24 interested, and let you know what we came up with.
25 //

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1 MS. D. WILLIAMS: Would you?

2 MS. BROWN-SCHWALENBERG: Yeah.

3 MS. D. WILLIAMS: That would be great. Thank
4 you.

5 CHAIRMAN PENNOYER: Yes, this has a lot of
6 application statewide and a lot of other areas, too.

7 MS. D. WILLIAMS: Yeah.

8 CHAIRMAN PENNOYER: And it's going to get to be
9 very difficult to understand how we make it all come together
10 if every community in every area has got something totally
11 different.

12 MS. BROWN-SCHWALENBERG: Well, it got kind of
13 out of hand when they said, you know, well, raw notes, raw
14 cassette tape, everything, you know, belongs to the public and,
15 you know, that scares people, frankly.

16 CHAIRMAN PENNOYER: Sure.

17 MS. BROWN-SCHWALENBERG: Nobody wants to get
18 rid -- you know, give out that kind of information.

19 MS. D. WILLIAMS: Do you feel you need more
20 guidance on that from working with the Federal attorneys and
21 the State attorneys?

22 MS. BROWN-SCHWALENBERG: We may, once we get to
23 that point. Right now we're just working at the community
24 level and trying to, you know, get them to understand, you
25 know, what we're working on, but, you know, it may come to

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1 that.

2 CHAIRMAN PENNOYER: This has been a major topic
3 of discussion at the Bering Sea Ecosystem Workshop that
4 Ms. Williams mentioned earlier because a lot of people were
5 there from all over the Bering Sea region having some of the
6 same concerns and it was very difficult even to define what we
7 meant by traditional knowledge in terms of the proprietary type
8 of information you're talking about, as opposed to maybe other
9 types of information, so I think there's a fair ways to go on
10 defining this before we before we come to an end.

11 MS. BROWN-SCHWALENBERG: Yeah, it's a difficult
12 issue. And the other thing, too, is who's knowledge is it? Is
13 it the tribe's or is it the specific elder's knowledge, you
14 know? And those are the kinds of things we're trying to
15 address also.

16 MS. D. WILLIAMS: Well, Mr. Chairman, I would
17 certainly hope that, you know, the attorneys, in particular,
18 can work with you, Brenda (sic) and whomever else to help
19 clarify that as much as possible. It would benefit not only
20 this spill region, but also the whole state to have protocols
21 that people really feel comfortable with.

22 CHAIRMAN PENNOYER: Very good.

23 MS. BROWN-SCHWALENBERG: Thank you.

24 CHAIRMAN PENNOYER: Thank you very much. I
25 know there are other people here that wish to testify that's

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1 also on the sign-up sheet. And I think what I'll do is go back
2 out on the web for a minute and see if we got other people who
3 want to testify and then come back here and ask folks if they
4 want to get up and do it. So I know there were additional
5 people in Valdez, I believe, that wanted to testify. Valdez,
6 do you have additional folks that want to talk?

7 MS. VONBARGIN (ph): Yeah, I just have a short
8 comment. My name is Lisa VonBargin and I'm with the Valdez
9 Convention and Visitor's Bureau and I just can't say how much
10 we would support EVOS taking control and purchasing the
11 Blondeau property that's under question right now . As you've
12 seen and I'm sure the packet of information that you've gotten
13 and the numerous letters, postcards, of support, the community
14 of Valdez is very excited at the prospect of getting beach
15 front access, not only for themselves, but for the visitors
16 here in the area and I can't tell you what an addition to the
17 New Shoup Bay Trail it would be and how fantastic it would be
18 to send people to an area that's known for wildlife observation
19 and birding (sic) observation. And I've personally spent time
20 down in that area investigating the New Shoup Bay Trail and
21 it's unbelievable the interstitial and tidal species that are
22 down there for observation for people to check out and take a
23 look at and the bird population down is just unbelievable, so
24 just a quick comment as to how much the Convention and
25 Visitor's Bureau wholeheartedly supports any efforts that EVOS

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1 might make to take advantage of this property.

2 Thanks.

3 CHAIRMAN PENNOYER: Thank you very much. Are
4 there questions from the Trustee Council? Yes, Commissioner
5 Rue.

6 MR. RUE: Not a question, but a quick
7 observation. I certainly appreciate the effort Valdez has gone
8 through, not only the Mayor being here to talk to us, but also
9 all the people in Valdez and the signatures. And I think, in
10 particular, the willingness to put city property on the line.
11 To me it's a very impressive effort by Valdez.....

12 CHAIRMAN PENNOYER: You bet.

13 MR. RUE:and a show of solidarity. So I
14 really appreciate all your efforts and it's making an
15 impression. Thank you.

16 CHAIRMAN PENNOYER: Thank you. Other comments
17 or questions?

18 (No audible responses)

19 CHAIRMAN PENNOYER: Thank you very much.
20 Anybody else from Valdez wish to testify?

21 VALDEZ LIO: We just have a question of when
22 you're going to take up the Blondeau property under small
23 parcels? We have people who would like to come back and when
24 you want those available for any questions you may have when
25 you take this up again.

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1 CHAIRMAN PENNOYER: Well, my guess from the
2 agenda is that it's going to, like, either early or
3 mid-afternoon and that's about the best I can do. Small
4 parcels are Item 10 on our agenda, the Blondeau property is on
5 there and that comes after archaeological restoration and
6 executive session and deferred projects and a budget amendment
7 and Tatitlek package amendment, so.....

8 MS. D. WILLIAMS: Probably not before 3:00.

9 CHAIRMAN PENNOYER: Yeah, not before 3:00 is
10 the word I'm getting.

11 VALDEZ LIO: Okay, thank you.

12 CHAIRMAN PENNOYER: Thank you. Okay, I think
13 that then concludes Valdez. I'll go around the net one more
14 time because, for example, Seward earlier, I couldn't get
15 anybody in Seward. Is Seward on the line and is there anybody
16 there that wishes to testify?

17 (No audible responses)

18 CHAIRMAN PENNOYER: Okay, then I'll call out
19 the towns in order and see whether folks there want to talk to
20 us. Homer, anybody more from Homer?

21 HOMER LIO: No.

22 CHAIRMAN PENNOYER: Okay. Kodiak, anybody else
23 from Kodiak?

24 (No audible responses)

25 CHAIRMAN PENNOYER: Juneau, anybody more from

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1 Juneau?

2 (No audible responses)

3 CHAIRMAN PENNOYER: Seldovia?

4 SELDOVIA LIO: No.

5 CHAIRMAN PENNOYER: Seward?

6 MS. BROWN: You said Seward.

7 CHAIRMAN PENNOYER: I said Seward. Kenai? And

8 Seward didn't come back.

9 MR. RUE: Seldovia.

10 CHAIRMAN PENNOYER: I mentioned Seldovia, too.

11 Okay, I think we've taken testimony from everybody on the net
12 then and if anybody, after we get done here, wishes to chime
13 back in, please feel free to do so. And who else in Anchorage
14 would wish to testify? Chip and then the gentleman next to
15 you. Either order, arm wrestle. You won.

16 MR. DENNERLEIN: Is this on? Can you hear? Is
17 that working?

18 CHAIRMAN PENNOYER: Looks like it's working
19 fine, not that you need it.

20 MR. DENNERLEIN: Thank you, members of the
21 Council. I'd just like to highlight three subjects in a few
22 moments. The first is habitat protection. I would like to
23 thank the Council for the stand that you have taken in response
24 to the legislation. And I would encourage you to take a
25 similar proactive stance in talking with Legislative Budget and

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1 Audit Committee. I think that -- I've been involved in land
2 acquisition a long time and this is an extraordinary process,
3 I've never seen a process that had so many public hearings, so
4 much community involvement and required the affirmative,
5 unanimous vote of three Federal and three State appointees. I
6 think that the screen mesh is very fine on the actions that the
7 Council takes and I would encourage you to continue defending
8 this process.

9 And particularly I am concerned that you impress on the
10 Legislative Budget and Audit that singling out of specific
11 projects for legislative affirmative action, if one acquisition
12 in Homer has to go before the whole legislature then every
13 science project has to go before the whole legislature. I do
14 not think that we can dismember the Restoration Plan. And so I
15 would urge you to speak with them about the process.

16 The second point I'd like to make is on the Prince
17 William Sound Human Use and Disturbance Model, it's going to
18 come up to you this afternoon on a deferred project. I'd make
19 a couple of quick points. The genesis of interest in this
20 comes actually from the restoration conference in January of
21 '97 when a panel on research and management needs said that the
22 greatest challenge was -- in Prince William Sound area was
23 maintaining healthy fish and wildlife populations, natural
24 distribution in the face of increasing human use.

25 And in February I summarized that and wrote a memo to

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1 the Trustees, which you know, and in May of 1997 the TRAC
2 Board, the State Trail Recreation Access for Alaskans who --
3 the board that handles the Federal Ice Tea Trails money
4 transportation passed a resolution calling on the State and
5 Federal governments to get together and plan for recreation use
6 and impact in Western Prince William Sound before they cut the
7 ribbon on the Whittier Road. The TRAC Board did not opine on
8 the Whittier Road Project, that wasn't the board's role, but
9 they said, don't cut the ribbon if you build it, whatever
10 happens, before you get out and plan, so that we don't injure
11 recreation or injure the very things that we're trying to
12 provide opportunities for.

13 You also will have a letter combined -- sent to you by
14 the Trustees for Alaska with signatures of about six or eight
15 groups also asking you to consider this. When you deliberate I
16 would just ask you to think of this point. I think all people
17 understand that the Council is hesitant to fund whatever you
18 would consider normal agency actions, and I think that's
19 appropriate. I don't think the construction of the Whittier
20 Road in the Western Prince William Sound is a normal situation.

21 The EIS for that road predicts a tenfold increase in
22 human use. If this was NPRA you would have special funds --
23 the agencies -- and special funds would be thrown at this -- at
24 a project to determine how to deal with the impacts of that
25 magnitude of a change. This is no less a unique project that

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1 is a special event and the second point is that ongoing agency
2 activity should involve the planning, the management, the
3 stewardship, where do you put a mooring buoy? In what bay do
4 you encourage people to camp? In what bay do you discourage
5 people to camp? What sort of conservation strictures do you
6 put on the land or construct cabins or opportunities for
7 people? Those will all be ongoing.

8 The model, the initial creation of a model that all
9 agencies are bought into and can work with, I think, is a
10 legitimate role for the Trustees, so that we don't
11 inadvertently sort of kick in the shins of the very recreation
12 opportunities and resources we've spent so much money to
13 protect.

14 Finally, I'd like -- my third point will be the
15 Restoration Reserve. I'm encourage, my colleague, Rupe
16 Andrews, gave a good report this morning on the PAG, we're
17 encouraged in the thought that's going into the reserve. There
18 is a debate between habitat acquisition and research. I'd like
19 to make a point on habitat and a point on research.

20 On habitat the PAG debated this issue in their
21 recommendations initialed to you. There's not -- there wasn't
22 a complete uniformity but there was fairly strong feeling, and
23 I think pretty much uniformity on the PAG regarding small
24 parcels. I think that the issue in Valdez points out again
25 that small parcels will come up, that people will be creative,

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1 they will try to fashion something, a donation of city
2 property.

3 Two things, Land and Water Conservation Fund is finally
4 coming back and I used to be the Land and Water Conservation
5 Fund Officer for the State. What hasn't been mentioned is all
6 LWCF requires a match. So it is not a stand alone
7 appropriation. And money available in the Restoration Fund for
8 certainly, at least, these kind of small parcels. And money
9 that could be used as a match to a donation from a Valdez in
10 the future, a match to a Land and Water Conservation Fund would
11 be a very continuing obvious physical legacy of the --
12 addressing issues of the spill.

13 Finally on research, last comment is I think there's
14 strong support for research and I'm just going to open an issue
15 before the Council now. There are in the world right now
16 virtually no closed waters in the Northern Hemisphere to
17 commercial fishing. There has been a growing interest around
18 the world in the question of marine reserve or no-take areas.
19 New Zealand has quite a report on success of sites that they
20 believe are aiding commercial fishing as well as environmental
21 protection. This last year 100 of the top scientists in the
22 world signed a letter, a calling for marine conservation and
23 no-take areas and one of the prominent marine scientist, you
24 may be familiar with Jane LaChikko (ph), and her colleagues
25 have raised an issue called 20/2020. Twenty percent of the

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1 world's oceans free of commercial take by the year of 2020.

2 My point here is that putting money at the oceanic
3 research is going to be very popular, whether you like it for
4 its own merits or you say it should all go to research instead
5 of land, it's very popular now. But I think if we're really
6 going to move forward as a legacy and look at all the
7 environmental issues, whether it's El Nino, or whether it's
8 commercial harvests, we need to seriously ask some of the hard
9 questions as part of that package as well. Where are there
10 going to be no-take? Where is there going to be the Crest
11 control group? You know, where do you have the -- how you can
12 tell you had 25 percent few cavities? In all science I think
13 we have to have a program that we have some control models that
14 we can test against. And while you are not in the fisheries
15 management business as a Council, people on this Council have a
16 very important hand in those questions, so that we can have a
17 fully integrated three-dimensional research map that takes into
18 those considerations. I think that will produce us enormous
19 benefits in the Gulf, in the Bering Sea and really put this in
20 a credible well-rounded science program viewed worldwide.

21 So with that, thank you for all the good work you've
22 done and happy holidays.

23 CHAIRMAN PENNOYER: Any questions? Mr. Wolfe.

24 MR. WOLFE: I haven't tracked it, but did the
25 State Department of Transportation get money through Ice Tea

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1 enhancement funds to do the impact study? I wasn't aware of
2 it.

3 MR. DENNERLEIN: They did not give, Jim, money
4 through to do the impact study on the recreation model. The
5 project managers from DOT spoke to -- both the project
6 managers, DOT and Jim Stratten of State Parks -- Jerry George,
7 DOT and Jim Stratten spoke to the TRAC Board several times and
8 when -- and they strongly supported some kickoff model,
9 something to bring the agencies together on this. But they
10 have money to bring to some of the management, but they don't
11 have the money under their Federal highway requirements to step
12 out into the Sound and develop this kind of a recreational or
13 human use model.

14 CHAIRMAN PENNOYER: Follow-up? That answer
15 your question?

16 MR. WOLFE: Yeah. I think there's something
17 worth pursuing with Federal aid funding for this, too, so.....

18 MR. DENNERLEIN: I agree with you and I think
19 that we can drag -- going to say drag some money. I think we
20 can encourage and bring some money to the table from the
21 Department of Transportation in participating in this. I think
22 we could do that from some of the other agencies. I think what
23 is lacking is a real strong catalyst to say, as interagency
24 issue we need to create, you know, we need to have a catalyst
25 and create the first model. And then I think we will find

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1 staff within the agencies, resource information, things that
2 will be brought into that process.

3 CHAIRMAN PENNOYER: Thank you.

4 MR. DENNERLEIN: Thank you very much.

5 CHAIRMAN PENNOYER: Thank you very much. Other
6 testimony? Sir.

7 MR. ZENCEY: Yeah, hi. I'm Matthew Zencey, I'm
8 representing the Alaska Rain Forest Campaign. It's a coalition
9 of 12 environmental groups, nationally and in Alaska, with
10 membership roles of more than 10,000 in the member groups here
11 in Alaska and hundred of thousands more nationwide. I got to
12 get my staff on working on counting them all, but anyway,
13 that's a rough idea.

14 I have a written statement that I can hand out to you
15 but I'll touch real briefly on the main points. First of all
16 we want to commend the Trustee Council for its great work on
17 habitat protection over the years. That is truly a lasting
18 legacy of -- that will help both restore and enhance the
19 ecosystem that was infected by the oil spill. And we
20 appreciate very much all the work that has been done to bring
21 these complex and sometimes difficult transactions to fruition.
22 It is a profound legacy and you have an admirable record on
23 that score.

24 We hope you recognize there's still more to be done and
25 we strongly urge you to include in any Restoration Reserve

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1 planning some provision for habitat protection as a major
2 priority. Afognak Island is a good illustration of the
3 situation here. Under current allocations there's not enough
4 money to obtain all the habitat that needs protection in the
5 Pauls and Laura Lake areas and your staff has been forced to
6 engage in a triage of sorts there, identifying the most
7 sensitive areas and identifying other lesser value areas that
8 can be let go due to the shortage of resources in that
9 situation. It's a difficult and painful process, some of it
10 have likened it to kind of a Sophie's Choice. Your staff
11 should be commended for the professional and thorough way it
12 has handled this challenge, they've done an amazing amount of
13 biological homework, cast a really wide net in consulting with
14 people and expertise and really developed a very thorough way
15 to approach this very difficult situation. And we appreciate
16 the hard work and the consultation and the collaboration that
17 it's taken to get to that point. And we think there's, you
18 know, new hope that a substantial portion of that area can get
19 the lasting protection that it deserves. It's a real tribute
20 to the creativity and the flexibility that the Trustee staff
21 has shown there.

22 Once the Afognak deal is complete there'll be numerous
23 possibilities to protect other areas on Afognak and elsewhere.
24 One of particular interest to us is the Chugach Alaska
25 Corporation's holdings in the Bering River area. Trustee

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1 Council funds could help Chugach realize an economic return on
2 those holdings without bringing environmental disruption to the
3 northeastern edge of the Copper River Delta, a critical portion
4 of the rain forest ecosystem that was devastated by the Exxon
5 spill. And we hope you'll consider how you might be able to
6 help protect this now undisturbed area of world class
7 importance.

8 Other opportunities may well present themselves, and
9 you've heard some of the examples here, the discussion about
10 the property in Valdez is a good example of the kinds of things
11 that may bubble up to the surface and we'll encourage you to
12 keep the flexibility to respond as conditions warrant. And we
13 urge you to continue planning for a Restoration Reserve that
14 include habitat protection as a major priority.

15 Thank you.

16 CHAIRMAN PENNOYER: Any questions of the
17 Trustee Council members?

18 (No audible responses)

19 CHAIRMAN PENNOYER: All right. Thank you very
20 much for your testimony. Is there anybody else here in
21 Anchorage that wishes to testify today?

22 (No audible responses)

23 CHAIRMAN PENNOYER: I think I've come to the
24 end of my list. Is there anybody out on the network that still
25 hasn't had a chance to testify that wishes to?

00093

1 (No audible responses)

2 CHAIRMAN PENNOYER: Okay. I think I've come to
3 the end of my list and I, therefore, declare the public hearing
4 at a close and would call for a 15 minute break.

5 (Off record - 11:23 a.m.)

6 (On record - 11:38 a.m.)

7 CHAIRMAN PENNOYER: Would you take your seats,
8 please. I've had two requests I'd like to take care of here.
9 We have had a request to switch the agenda slightly and go to
10 the deferred projects before lunch and if that's acceptable to
11 everybody that would be the next, after the next order of
12 business.

13 And I've had a special request, Theresa Obermeyer was
14 not aware of the fact that the hearing had ended when it ended
15 and I'm not reopening the public hearing, but she's requested
16 five minutes to address the group today.

17 MS. OBERMEYER: Thank you so much,
18 Mr. Pennoyer. And you're very nice to hear me. Let's see do I
19 use a microphone or no? I didn't know whether -- can I be
20 heard?

21 CHAIRMAN PENNOYER: It's been recorded, but we
22 can hear you, so go ahead, you're doing fine.

23 MS. OBERMEYER: And I'm usually able to be
24 heard. But let me just say, of course, happy holidays. And it
25 such a fun time of year and we have in our family so much going

00094

1 on, I apologize for being late and I did know that the public
2 comment was at 9:30 but I was simply unable to get down here
3 that early.

4 And let me mention why do I come? Would you allow me
5 to stand, Mr. Pennoyer? I prefer being seen by the audience as
6 well as the membership. Why do I come? Everything that all of
7 us do in our lives as adults is based on American law. I mean
8 when each of us pay our monthly bills we practice American law.
9 When we go to public meetings we practice American law. And,
10 of course, I do marvel and I do (indiscernible) and I guess
11 everybody in this room already knows who I am. And should I
12 ask this audience? I think everyone in the state knows who I
13 am.

14 And let me say only what I tell my poor children.
15 Kids, that was only money, who cares? I, ladies and gentlemen
16 have the honest truth, and may God strike me dead, I live in a
17 38 year old frontier and I'm here to tell you, yes, we can
18 believe in the law, but I will caution you be very careful.
19 Because I am here to make an example out of myself. Any one of
20 you could be next. I have had three Federal criminal non-jury
21 trials abrogated against me, that was about three years of my
22 life, ladies and gentlemen. Can you imagine how much time
23 those trials spent? How much of my time was spent on those
24 trials? Each trial went on for three days. And I have all the
25 transcripts to prove it and, yes, I was jailed for 29 days when

00095

1 I thought I had a right to run for public office.

2 No way, ladies and gentlemen. But let me ask you, who
3 of you will try? I'm asking each of you to think about it.
4 Stand up for yourselves and stand up for your country. And
5 stand up for the truth. It's time to clean out the Federal
6 Building.

7 And let me also mention what motivates me and why can I
8 continue. My husband, Thomas S. Obermeyer as the lead case in
9 the summary of American law and the bright attorneys,
10 Mr. Tillery, already know all about it and the judges knew
11 about it in 1986. They're not so dumb, they're pretty bright
12 people and they knew what I didn't even figure out until about
13 1992. I mean I'm so proud of my country. I am so proud of the
14 things that have happened. But let me also mention what I
15 think. And you're welcome to laugh at me, who cares? Thomas
16 S. Obermeyer will be licensed on January 12th by majority vote
17 of the Alaska State Legislature.

18 Last point. The Fly-by-Nite Club in your morning
19 paper, I saw that they still have a skit on the Obermeyers.
20 They have had a skit on the Obermeyers since about 1992, maybe
21 '91. I mean I am sick and tired of this. And it's supposed to
22 all be true and I supposed to -- you know, here is -- I can
23 read it to you -- read it yourselves. It's about Cliff Notes
24 and the Alaska Bar Exam. Aren't you embarrassed, Deborah, that
25 this is your profession? I'm embarrassed for you because I

00096

1 know you to be a very bright professional. And I'm sick of
2 this and it should have been over years ago.

3 This is not a nice place to raise children. If my
4 treatment was possible. What have I done? I gave up a paid
5 teaching job to volunteer my time to help our children get a
6 good education. But -- is my time amount up? I didn't want to
7 take -- two more minutes? My heavens I thought I had said it
8 all. Did anyone have a question?

9 I do want to laugh with you and I'm Irish and I always
10 crack a joke. Have you read my name in your current Directory
11 of Attorneys? Please look at -- my name started to be
12 published in this directory in spring of '97 and I am again
13 listed in your fall directory. I am in two sections. I'm in
14 Alternative Dispute Resolutions. Can we have a little of that
15 in the state? I think it's time, Mr. Tillery. But then the
16 other section I'm listed in is the Expert Witness Section. And
17 I don't know how many of you are attorneys or have this thing.
18 Of course, I understand that the court system has their own
19 private -- you know, lawyers aren't public, they have their own
20 private documents and none of us have access to them.
21 Fascinating that our court system has their own records. I
22 can't get a copy of that. But, of course, lots of people have
23 this at their offices. Non-attorneys, of course, can buy them.
24 Did anyone have a question?

25 And are you going to have a happy holiday?

00097

1 CHAIRMAN PENNOYER: Yes.

2 MS. OBERMEYER: Because we are. And January
3 12th, let's see if the legislature makes a liar out of me, I
4 don't believe so, I think Tom is going to get his license now.
5 The first day the legislature opens, and would you all come? I
6 hope that all of us, more and more, start going to this
7 legislature instead of letting a handful of lobbyists
8 manipulate the truth out of existence. It's like we all live
9 in our own world in this state and there's no coming together
10 anymore. It really is really very worrisome and frightening.

11 But let's be challenged, let's, of course, have a fun
12 day. And let's have a really nice holiday season.

13 Mr. Pennoyer, you're so kind to let me say hello. And again,
14 sir, forgive me being late. Have a nice holiday.

15 CHAIRMAN PENNOYER: Thank you very much. Okay.
16 Then I believe Stan Senner and Eric are going to lead us
17 through the additional.....

18 MR. MYERS: Actually Dr. Spies will join Stan.

19 CHAIRMAN PENNOYER: And Bob Spies and whoever
20 else are going to lead us through the question of deferred
21 projects and perhaps you can sort of put in context why we're
22 here, what we're doing with this and then I think it would be
23 appropriate to do the individual projects and take questions on
24 them as we go and decide what action we're going to take on
25 each one as we get to it. If we get to the end I'm afraid

00098

1 we'll forget what you -- at least get mixed up with what you
2 started with. So, Stan, you want to go ahead.

3 MR. SENNER: Yes, thank you, Mr. Chairman

4 We would like to strive for Eric's record of five minutes
5 consideration but that may be reaching a little bit, so
6 certainly our aim is to finish up quickly though.

7 There are 11 deferred projects that are part of the
8 fiscal year 1998 annual Work Plan. The projects before you are
9 here for two reasons. One is that some of them were
10 recommended favorably on their merits but were put in a
11 deferred status pending availability of funds. And secondly
12 some of the projects we wanted to have a further substantive
13 look at after there were available the results of 1997 field
14 studies. So we have completed those reviews and of the 11
15 projects before you there's a recommendation to fund, at some
16 level, 10 of the 11.

17 I should also add in terms of the target that we have
18 been working toward, your goal and the Executive Director's was
19 a target of \$14,000,000 for the fiscal year '98 Work Plan.
20 With the projects as recommended for your consideration the
21 total would come in at \$14,088,000, so close to the target and
22 actually a little bit closer than we were last year with
23 respect to our target then. So with that just sort of overview
24 I'll quickly mention each project and pause after each one if
25 you do have questions.

00099

1 And I refer you to the legal size spreadsheet, it's
2 probably the easiest one for you to look through and then
3 there's a summary table with the dollar amounts. Everyone got
4 that? Okay, the first project is 064, this is our harbor seal
5 program that has been underway, in one form or another, really
6 since the year of the spill back in 1989. And it's a core part
7 of the program. Kathy Frost from ADF&G had proposed some
8 expanded objectives last year or for fiscal year '98. In
9 August you acted on the core of her program which was the
10 continuation of the monitoring objectives. We wanted to defer
11 action on the expanded objectives until we had a program review
12 this November. And we had a full scale review of the harbor
13 seal program with Outside reviews coming from as far as
14 Scotland for that review. The program gets very high marks and
15 is continuing to make progress on the issue of both the status
16 of harbor seals and what they're -- the problems are.

17 So we're now recommending going ahead with that
18 project, the expanded objectives. However, we have recommended
19 a reduced budget in the area of the satellite transmitters
20 simply because the goal now is to put these transmitters on pup
21 size seals and as you scale down the size of the transmitters
22 there's some technical questions there and Kathy is comfortable
23 with putting fewer of them out this year and see how they work
24 and then we can make a decision later on whether to expand that
25 sample size.

00100

1 Questions?

2 CHAIRMAN PENNOYER: Okay, thank you. Are there
3 questions? Do you want to take action on the -- Ms. Williams,
4 you had a question?

5 MS. D. WILLIAMS: Just a quick question.
6 Remind me, is this project working cooperatively with Harbor
7 Seal Commission?

8 MR. SENNER: Ms. Williams, we have a separate
9 project that specifically is funded to work with the Harbor
10 Seal Commission but, yes, there is cooperation between this
11 project and the one -- and the Harbor Seal Commission Project,
12 yes.

13 CHAIRMAN PENNOYER: This is also part of a
14 statewide effort on harbor seals conducted by NOAA as well as
15 ADF&G and ADF&G has taken the lead on most of it, so I think
16 that is all -- at least according to the people in our shop, is
17 all fairly well coordinated.

18 MR. SENNER: I think so. And one of the
19 specific areas of coordination here is that the Harbor Seal
20 Commission Project is taking what we call biosamples from
21 subsistence hunters who are shooting seals, taking samples,
22 making them available to researchers. And some of those
23 samples are being analyzed through this Kathy Frost project.

24 DR. SPIES: Also, Mr. Chairman, we invited
25 someone from the National Marine Mammal Laboratory in Seattle

00101

1 to attend the review, so they came and they worked together and
2 so forth. And also representatives from the Harbor Seal
3 Commission were at the review as well.

4 CHAIRMAN PENNOYER: That budget actually
5 contains a half million dollar item of a grant to the Harbor
6 Seal Commission and new work is cooperatively planned with our
7 staff and ADF&G staff.

8 Do we want to take action individually on these then?
9 Or go ahead and just.....

10 MS. D. WILLIAMS: Do it as a group.

11 MR. TILLERY: Do them as a group.

12 CHAIRMAN PENNOYER: Do them as a group, okay.
13 Then go on to the next one.

14 MR. SENNER: All right, the second project is
15 Number 131, this is the Chugach Native Region Clam Restoration.
16 Patty Brown-Schwalenberg during the public testimony made some
17 comments on this. This is one that in August you provided
18 interim funding for, the balance of the funds were deferred
19 pending completion of negotiations among ADF&G, the City of
20 Seward, the Qutekcak Native Tribe and CRRC, the Chugach
21 Regional Resources Commission. And those negotiations
22 concerned the occupancy and management of the new mariculture
23 facility in Seward, and Frank Rue alluded to that before.

24 As Patty indicated and also I confirmed with ADF&G's
25 mariculture program manager just this morning, that they do

00102

1 believe that the contract with the city and Qutekcak will be in
2 place very, very shortly and we are now recommending proceeding
3 with the full funding of the project. And the purpose here is
4 to develop hatchery procedures and actually produce enough
5 clams in that mariculture facility to seed them on beaches near
6 village and thus increasing subsistence opportunities for those
7 clams.

8 I do want to note we made one error in the dollar
9 amounts and it concerns this project. The recommendation shown
10 on your spreadsheet for funding now is for 197.9 thousand. We
11 made a \$10,000 error there, that should be 208,000 even.
12 Actually it's 10,000.1, so that should be 208. And the papers
13 that Traci Cramer will file with the court, et cetera, on
14 behalf of everyone, will be corrected, if that's your wish in
15 the end. So I just wanted to -- rather than start crossing out
16 your sheets, we just wanted to note that \$10,000 error.

17 CHAIRMAN PENNOYER: Questions? Mr. Tillery.

18 MR. TILLERY: And that error is repeated on the
19 total?

20 MR. SENNER: The total then would be 14,098,000
21 at the bottom.

22 MS. CRAMER: Point one.

23 MR. SENNER: Point one.

24 CHAIRMAN PENNOYER: Other questions?

25 MR. RUE: Bottom line total. That's a lot

00103

1 clams.

2 CHAIRMAN PENNOYER: Other questions.

3 Mr. Wolfe.

4 MR. WOLFE: Mr. Chair, this is the fourth year
5 out of a five year project, as you indicated, and we're still
6 talking about improving and maintaining future hatchery
7 production as a part of this effort. Are we anticipating that
8 we're going to continue running the hatchery for clams?

9 (No audible responses)

10 MR. WOLFE: Okay. Just want a clarification.
11 We the Trustees, right.

12 MR. SENNER: Mr. Wolfe, my reply to that, and I
13 think I can speak for Ms. McCammon on this, is that we don't
14 think there should be any intent nor reason to be in the
15 hatchery business as a long-term enterprise. The goal here was
16 to get that -- get their procedures up and running, get them to
17 reach production level and the CRRC and Qutekcak people are
18 working on a number of alternative sources of funds and their
19 goal is just to have an operation that they can make a
20 self-sustaining one.

21 MR. WOLFE: Okay. I just -- just in reading
22 the Chief Scientist's recommendations it almost sounded like we
23 were talking about a continuing production mode here and I
24 didn't think that was the intent of the Council.

25 CHAIRMAN PENNOYER: Stan, would you do me a

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1 favor and going back in history. At one time I asked that we
2 get a little cheat sheet that showed past funding history for
3 these various projects when they come before us and we don't
4 have that here. This is the fourth year or fifth year --
5 fourth year of a five year project, I'll get that right yet.
6 So we presumably have done something over the last three or
7 four years and spent some money, although we still have an
8 empty building. I'm not clear of your view of where we stand
9 with that, what this funding specifically provides relative to
10 ADF&G contracts, relative to SK funding, I know, is going out
11 to this as well. And I think we've all talked about the
12 concept being a valuable one, I think the State's agreed with
13 that, I know we have. But I'm still not clear exactly what
14 this funding buys versus what we've already have paid for, for
15 three or four years.

16 MR. SENNER: We had, from the technical
17 standpoint, some major concerns with this project as we entered
18 into fiscal year '98. The facility that the had been operating
19 in, in Seward, is not much bigger than this room and it's sort
20 of like operating a clam production facility out of your
21 kitchen. And we had been concerned, in fact, that in spite of
22 good faith efforts by the Qutekcak and CRRC people that they
23 had not made as much progress as we had hoped in really nailing
24 down what the procedures were, getting them so that they really
25 can produce the kind of volume they need to get clams out into

00105

1 the villages.

2 The original recommendation from Dr. Spies for '98 was
3 that unless they were able to get into this new facility, which
4 really is a more of the state of that art kind of facility,
5 that we could not have, in good faith, recommended continued
6 funding of this work. Our assessment now is that -- it rests
7 on two parts here. One is that, indeed, they are going to move
8 into the new facility and so some of those physical limitations
9 on what they've been doing should be removed.

10 And then secondly, the information they have provided
11 us is that the clams that they have been able to seed out in
12 the village beaches to date are, in fact, surviving quite well,
13 they're growing at a rapid rate and so that we now think that
14 -- the two things here, they are, in fact, making progress,
15 even in the facility they're in. And then secondly, they are
16 moving into the new facility. And on that basis we think the
17 -- it merits continuing to invest in this process for these
18 final two increments, '98 and '99.

19 CHAIRMAN PENNOYER: I didn't try and cross
20 reference this with your bibliography or list of reports or
21 anything like that, but there are reports on the activities of
22 the first three years?

23 MR. SENNER: There are reports. There are no
24 published -- there are no journal papers that have appeared but
25 they certainly are on time with their reports, yes.

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1 CHAIRMAN PENNOYER: To us?

2 MR. SENNER: Yes.

3 CHAIRMAN PENNOYER: All right with their
4 reports. Okay, thank you. Are there any other questions?

5 (No audible responses)

6 CHAIRMAN PENNOYER: Okay. Try the next one.

7 MR. SENNER: Okay. The third project on your
8 list is 162, the Herring Disease. This was one where we asked
9 in August that the funding be deferred for the part of the
10 herring project that concerns disease in impoundments for the
11 spawn on kelp fishery in Prince William Sound. So you have
12 already approved the bulk of the funding for this program but
13 the herring pound component was deferred. Gary Marty and his
14 colleagues were in the field in '97 working with ADF&G and the
15 herring fishing community in Prince William Sound in '97. They
16 had excellent cooperation from the fishing community and the
17 initial results do indicate that there is disease present in
18 the fish, within the pounds, and that they continue to believe
19 there is potential that disease can be spread from the
20 impounded fish to the free ranging or whatever you call a wild
21 fish that are outside the pound. The year may have been a
22 little anomalous because there were also fairly high disease
23 levels again in the general population, outside the pound, and
24 it seems appropriate to us that given the management
25 applications or implications and applications of this work that

00107

1 it warrants the modest funding to get a second year's data on
2 the disease levels in and around that pound fishery. So we are
3 recommending to go forward.

4 CHAIRMAN PENNOYER: Okay. Questions?

5 (No audible responses)

6 CHAIRMAN PENNOYER: Okay, thank you. Next
7 project, APEX.

8 MR. SENNER: Okay. Next one is 163, this was
9 the Marbled Murrelet Component of the APEX Project. And again,
10 you approved the balance of the funding or the bulk of the
11 funding for APEX back in August. We wanted to see whether --
12 or how strongly there was a correlation between murrelet
13 productivity and the data that are being gathered on forage
14 fish. And so we had to await the '97 results to do that.
15 Based on a preliminary report from Kathy Kuletz and her
16 colleagues at U.S. Fish and Wildlife Service, we believe there
17 is a strong correlation between murrelet productivity and
18 availability of forage fish. And this is important both from
19 the standpoint of monitoring murrelets, which don't do
20 convenient things like nest in big colonies on cliff sides,
21 they're dispersed across forests over a large area. But it's
22 also helpful in testing the APEX hypotheses about productivity
23 and the link to forage fish.

24 So we're satisfied that the link is good and again
25 recommend going forward with this increment. And I should know

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1 there is an APEX review scheduled in January which will be
2 another round of review on the balance of this project.

3 CHAIRMAN PENNOYER: Thank you. Are there any
4 questions?

5 MR. RUE: Just quickly on that last point.

6 CHAIRMAN PENNOYER: Yes.

7 MR. RUE: Another round of review, meaning to
8 tighten up protocols or to actually suggest that not go ahead?

9 MR. SENNER: No. No, the purpose of this
10 review would really be to fine tune the program before they go
11 out for the fiscal year '98 season and to track progress on the
12 overall program and possibly make some adjustments in
13 priorities.

14 MR. RUE: Okay.

15 CHAIRMAN PENNOYER: This is kind of a standard
16 thing we do with SEA Programs, APEX, major program components?

17 DR. SPIES: Right, we're doing -- all three of
18 the ecosystem projects are being reviewed yearly and this is
19 the scheduled review, this is the week before the annual
20 restoration meeting.

21 CHAIRMAN PENNOYER: And so how do you conduct
22 and APEX review, who gets invited to it?

23 DR. SPIES: We invite all the peer reviewers
24 and the -- it's actually a public meeting so anybody can come,
25 but we specifically require that all the principal

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1 investigators to come, peer reviewers, including some core
2 reviewers and Outside reviewers on particular aspects of that.
3 Then we have a day-long presentation and get written comments
4 back from all the reviewers.

5 MR. SENNER: We're also encouraging, actively,
6 this year that the PIs from the three ecosystem projects sit in
7 on each other's review sessions to encourage that kind of cross
8 fertilization.

9 CHAIRMAN PENNOYER: Great, good idea. Okay,
10 you want to go on to the stream enhancement.

11 MR. SENNER: Yes, 263 is the Port Graham, Lower
12 Cook Inlet Stream Enhancement. This is one that was funded at
13 the feasibility level for fiscal year '97 and we wanted to
14 await the results of their '97 work before making a
15 recommendation to you. We do have an interim report from the
16 Port Graham Corporation on their review of potential stream
17 enhancements on their land. And the goal of these would be to
18 increase coho salmon production, primarily for the benefit of
19 subsistence users, although, of course, any salmon produced are
20 in the common fishery and are available for the use of others
21 as well.

22 Based on their interim report and our reviewer's
23 comments what the Executive Director is recommending is that
24 there are two specific projects that are, in fact, worth going
25 forward with, Windy River and Windy Creek. There are still

00110

1 some questions, technical issues that need to be finalized
2 between the Chief Scientist and the proposers and we're also
3 waiting a bit more detail on their budget. So the
4 recommendation from us is that you fund the two project
5 components, Port Graham River and Windy Creek, contingent on
6 these technical and budget issues.

7 Also let me note as a sort of a cautious approach on
8 our part what we'd like to do is, although we're asking you to
9 authorize the entire amount for the two projects, 107, we
10 propose that the Executive Director release the funds in two
11 pieces and that there essentially be round one or phase one,
12 which is additional environmental assessment work, engineering,
13 design, that kind of thing. And if that's completed
14 satisfactorily and in a timely way, then the Executive Director
15 could release the funds to actually get the bulldozers out and
16 do the work. We just think that's a cautious approach.

17 CHAIRMAN PENNOYER: Questions? Specific --
18 sorry, Ms. Williams.

19 MS. D. WILLIAMS: Can you remind me through
20 what land ownership pattern the Port Graham River and Windy
21 Creek traverse?

22 MR. SENNER: My understanding is that this is,
23 if not entirely, at least substantially Port Graham Corporation
24 land.

25 CHAIRMAN PENNOYER: Would you just for my

00111

1 edification, describe specifically what's intended in those two
2 projects? The description mentions a lot of -- kind of a
3 shopping list of different things we tried in various streams
4 before with varying degrees of success. And I know you've
5 indicated that this, in your view, has a pretty good likelihood
6 of success. Is one a spawning channel? Is one a rearing pond?
7 Is one a removal of barriers or.....

8 MR. SENNER: One of each. And I'm sort of
9 looking back at Bill Hauser, but I believe one is a spawning
10 channel and.....

11 DR. SPIES: There's a spawning channel and
12 there's supplementation, you know, out planting fry and smolts.

13 MR. SENNER: Bill, do you want to -- can we put
14 you on the spot to refresh? I don't have the DPD here in front
15 of me, so.....

16 MR. HAUSER: I'll just.....

17 MR. SENNER: No, you need to be at the mike.

18 MR. WOLFE: Here, you can.....

19 MR. RUE: You can sing it if you want.

20 MR. HAUSER: Yeah, Mr. Chairman. There's two
21 projects -- subprojects that are being proposed to carry
22 forward through this process this fiscal year. One project on
23 Port Graham River consists of mitigating impassible falls so
24 that the salmon will have access to newly created anadromous
25 habitat for spawning and rearing for coho salmon.

00112

1 As a minor subcomponent of that, that recently appeared
2 in their presentation, they're suggesting adding or seeding
3 that habitat with some hatchery produced fry from the facility
4 that's already existing using the same stream stock from an
5 existing project, it would just be stocked higher in the
6 drainage instead of lower in the drainage. We've still got
7 some discussions going on with that. I should point out, by
8 the way, that part of a phase one work that Stan has discussed
9 here will include a review by the regional planning team, NEPA
10 compliance, and certainly if there's any fish to be stocked,
11 fish transport permits. So all of these permits have to be in
12 place, plus the technical review here before the projects can
13 actually be implemented.

14 The second project that they're proposing to do this
15 season is Windy Creek, these are rearing ponds, coho salmon
16 rearing ponds. The spawning channel component is one of the
17 projects that -- one of the subcomponents that has not been
18 recommended by -- or accepted by the Trustee Council staff.

19 CHAIRMAN PENNOYER: Thank you.

20 MR. SENNER: Thank you, Bill.

21 CHAIRMAN PENNOYER: Any more questions?

22 (No audible responses)

23 CHAIRMAN PENNOYER: Okay, guess you can go on
24 to the next one.

25 MR. SENNER: Okay. Number 286 is the

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1 Elders/Youth Conference on Subsistence in the Oil Spill. Bob
2 Henrichs in the public testimony referred to this. This one
3 was not acted upon in August because at that point we still had
4 not really received a detailed proposal and budget. The
5 proposal and budget did come in the fall. The Trustee Council
6 previously had provided planning and development monies for the
7 workshop, and the idea is to follow-up on the one that was held
8 in September 1995. This proposal would bring together youth
9 and elders from a number of villages to meet with principal
10 investigators and other staff to discuss the status of injured
11 resources that are important to subsistence users.

12 We have recommended a reduced budget and Mr. Henrichs
13 acknowledged this morning that that was okay with them. There
14 were some questions raised by the Chief Scientist about timing
15 and some of the other details of the workshop and it appears
16 that we will be able to address all those. There was also the
17 issue of the traditional and ecological knowledge protocols and
18 why they are or aren't being signed by the villages. And our
19 hope is that this workshop, if it's successful, will be a
20 positive opportunity to meet with some of the people who need
21 to actively consider those protocols and this will be a
22 positive opportunity to sort of move that dialogue forward. So
23 we are recommending funding.

24 CHAIRMAN PENNOYER: Questions? Michele.

25 MS. BROWN: So you're not looking at that as a

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1 precondition to the conference?

2 MR. SENNER: No, we had.....

3 MS. BROWN: It's a forum?

4 MR. SENNER: Yeah, that's right. It's

5 something we wanted to raise but we're not -- we don't think
6 it's a situation where withholding the support in exchange for
7 signing kind of thing is either appropriate or productive.

8 CHAIRMAN PENNOYER: I guess as -- maybe you can
9 answer this question. This is obviously oil spill communities,
10 but we, again, in the ecosystem workshop a week ago, 10 days
11 ago, heard a lot about statewide traditional knowledge, a
12 research council type approach of people who are considering
13 this and considering on a much broader basis than just the oil
14 spill area. And I wonder if there's some way to bring those
15 people in on this type of discussion. I would hate to see some
16 protocols either agreed to -- or separately by one group of
17 folks and then this -- the question is still very extent for
18 the rest of the state. If there's a way that we can use our
19 money to leverage some of that communication and coordination
20 I think we ought to do it. So I would encourage you to meet --
21 Deborah may be a good one to do it with here, and she was at
22 the conference and she will have the records of who spoke. And
23 then contacting some of those people and asking them to sit in
24 because I -- even if you do get to the stage for adopting
25 protocols for five village, six village, whatever, then we

00115

1 still have 20 or 30 or 40 or 50 out there that are still of
2 concern for -- they have concerns about Western knowledge is
3 being applied to management of resources they're concerned
4 about. And I don't know if this is going to resolve that. It
5 might be another step along the way, but it might be enhanced a
6 little bit if you can bring some of those folks into this
7 discussion, so I encourage you to do that.

8 MR. SENNER: I don't know who all the Eyak
9 tribal group is planning to bring in as resource people but
10 they certainly, themselves, have identified others or are
11 identifying others to participate in this meeting and some of
12 them may well be among the players in some of these other
13 discussions.

14 CHAIRMAN PENNOYER: Well, that could be and
15 then maybe we could examine those lists and make a suggestion.
16 I'd encourage that.

17 MR. WOLFE: Mr. Chair.

18 CHAIRMAN PENNOYER: Yes.

19 MR. WOLFE: It's still not clear to me what
20 this is doing that we didn't do in '95 when we had a similar
21 conference.

22 MR. SENNER: It's really much the same thing,
23 Mr. Wolfe. I think the idea, however, is that one of goal in
24 terms of restoration of subsistence is to restore the
25 confidence of subsistence users in the resources that they care

00116

1 about and depend on. We had a successful meeting in September
2 of '95 and the idea is now there's been another -- you know
3 two, three years have elapsed since then, come back and
4 essentially address the same topic, acquaint people with our
5 new information about the status of the resources they care
6 about. So it's not really -- it's the next generation, it's
7 not something entirely different though.

8 MR. WOLFE: One other. This is considered to
9 be a two year project and I don't understand that since they're
10 going to have the meeting in.....

11 MR. SENNER: The first year was the funding
12 that the Trustee Council already provided.

13 MR. WOLFE: The planning money?

14 MR. SENNER: Right, that's right.

15 MR. WOLFE: Okay. Thank you.

16 CHAIRMAN PENNOYER: Other questions?

17 Ms. Williams.

18 MS. D. WILLIAMS: What's the date?

19 MR. SENNER: Ms. Williams, that's been under
20 some discussion. They have proposed something in the first
21 week of April, we're, I think, now looking at maybe late March.

22 MS. D. WILLIAMS: Okay.

23 MR. SENNER: Yeah, our problem is that our PIs
24 have April 15 deadlines hanging over them for not only taxes
25 but DPDs and other things, so we're trying to steer it away

00117

1 from that.

2 CHAIRMAN PENNOYER: Okay. All right, thank
3 you. You want to go on to the next project, Stan.

4 MR. SENNER: All right. Number 289 is Status
5 of Black Oystercatchers in Prince William Sound. This project
6 was deferred in August pending availability of funds. We have
7 a good technical proposal, in this case advanced by ABR,
8 Incorporated in Fairbanks, a private consulting group. We
9 think it's cost effective and the idea is to revisit the status
10 of the oystercatcher in advance of the 10th anniversary. And
11 this is one of the species we have on our injured list as
12 status unknown. And so the goal is to obtain some more
13 information on where we are. And we want to be mindful of the
14 budget target, but do believe this is an appropriate time to go
15 ahead.

16 CHAIRMAN PENNOYER: Questions?

17 (No audible responses)

18 CHAIRMAN PENNOYER: Thank you. Next project
19 then, Stan.

20 MR. SENNER: Okay, Number 314 is the Homer
21 Mariner Park Habitat Project. This also was deferred pending
22 availability of funds. We continue to think on the substance
23 of it. It's a good project, it would restore more normal tidal
24 flow to an area that's been cut off by a berm and a road out
25 the Homer Spit. It would have been an act of intertidal

00118

1 habitat restoration, which is something we haven't really been
2 able to do. However, there is no compelling reason, we
3 believe, to actually start this project in '98. If it's not
4 initiated then it could be initiated in a subsequent year and
5 on that basis, and again being mindful of our budget target,
6 the Executive Director is not recommending funding this year.

7 CHAIRMAN PENNOYER: Questions?

8 (No audible responses)

9 CHAIRMAN PENNOYER: Thank you. Next project.

10 MR. SENNER: Okay. The last two or three here.
11 Project 320, the SEA Project. Again you funded or approved
12 funding for the bulk of this work back in August. There was a
13 component that involves gathering local knowledge on herring in
14 Prince William Sound through interviews with fishermen, pilots,
15 subsistence users and others. And the idea, really, is an
16 experiment to see if we can marshall sort of that traditional
17 and local knowledge on herring and actually bring it to -- sort
18 of apply it to the scientific work in the SEA Project and APEX.
19 We have the results, an interim report, from their '97 efforts,
20 including, I believe, 30 some interviews. Really an extensive
21 effort. And the Chief Scientist's recommendation and mine is
22 that it's not absolutely clear that this is going to provide
23 essential information to SEA and APEX but we believe it's an
24 experiment and experiment worth trying. And that the initial
25 results are promising and on that basis we'd like to follow

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1 through and complete it with this second year of funding.

2 CHAIRMAN PENNOYER: Questions? How would you
3 relate that to the previous TEK discussion, conference and the
4 protocols and so forth?

5 MR. SENNER: The previous -- the Youth/Elders
6 Conference is more a matter of acquainting active subsistence
7 users with the latest information on the resources that they
8 care about. Have they recovered from the spill; what's their
9 status? This is more of an effort to draw upon that local
10 knowledge and put it in a form that scientific investigators
11 can actually apply to their science projects. So there's some
12 overlap in the people involved, but really the purposes are
13 somewhat different.

14 DR. SPIES: There's a GIS database that's being
15 constructed for that data right now. It's a very impressive
16 array of sightings of, you know, juvenile herring in
17 nearshore.....

18 CHAIRMAN PENNOYER: But this isn't just real
19 time data collection, this is historical, potentially
20 proprietary and all that type of stuff, too, so.....

21 DR. SPIES: Exactly, right, right.

22 CHAIRMAN PENNOYER: There's overlap just very
23 directly and this may be more practical, a case example, but
24 the broader issue is in looking protocols.

25 MR. SENNER: Yes. This is an example, we

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1 think, of -- there could be more projects of this type.....

2 CHAIRMAN PENNOYER: Right.

3 MR. SENNER:and the more we can do in the
4 are of TEK protocols and getting everyone sort of comfortable,
5 not only with what's appropriate, but the value of those data,
6 this is, we hope, a model of how it could be done.

7 CHAIRMAN PENNOYER: And the GIS link is
8 certainly a good one then?

9 DR. SPIES: Right. And the investigators think
10 -- working with the SEA investigators, Jody Seitz, who is doing
11 this project and the SEA investigators believe that based on
12 people sighting of juvenile herring in the nearshore area over
13 the years one may be able to, based on the models developed at
14 SEA, kind of look back and see what was a good year and what
15 wasn't a good year, based on what we're learning from the
16 oceanography and see if that corresponds with people sightings
17 over the years in those same habitat, so the science and the
18 local knowledge may work together in an interesting way here.

19 MR. SENNER: It's also very much evident there
20 are areas that, over a period of decades now, observers in the
21 Sound always find juvenile herring. And so, you know, there's
22 some places they find them in some years or some decades and
23 not others, and that's of interest, but it's also of interest
24 where you consistently get findings of juvenile herring and
25 from a standpoint of identifying essential fish habitats, I

00121

1 think this is going to be helpful.

2 CHAIRMAN PENNOYER: All right. Thank you. The
3 next project.

4 MR. SENNER: Okay. Last two here. Project
5 338, action was deferred -- excuse me, this is Survival of
6 Adult Murres and Kittiwakes in Relation to Forage Fish
7 Abundance. Action on this project was deferred in August
8 pending the results of a pilot effort in '97 involving
9 implantation of radio transmitters under the skin of murres.
10 And that pilot effort was not funded or not carried out with
11 Trustee Council dollars. That was an independent effort. And
12 it was successful, but the PIs and the reviewers agree that we
13 can, in fact, much more efficiently use conventional aluminum
14 leg bands to obtain information on survival of adult murres and
15 kittiwakes and that that is a more appropriate and effective
16 way to go.

17 We're recommending this project because it provides
18 important complimentary information to APEX. And the APEX
19 Project focuses on the relationship between the production of
20 young birds, young murres and kittiwakes, and in relation to
21 forage fish. One of the components that APEX does not address,
22 however, is the survival of adults as conditions vary in terms
23 of the availability of forage fish. We think this project is
24 going to supply that useful compliment and it's entirely one
25 that dovetails with the APEX efforts. It involves some of the

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1 same study areas, PIs and so on. So we are recommending to
2 proceed.

3 Okay, last one is Number 339, Prince William Sound
4 Human Use and Wildlife Disturbance Model. Action on this
5 project was also deferred pending availability of funds. The
6 project was favorably reviewed on its merits. We had hoped
7 that perhaps there might be some more opportunity for cost
8 sharing on that project. That really has not developed. I
9 think people with current budgets they have feel like they have
10 already been cut to the bone and are trying to get everything
11 they possible done can (sic) with the funds they have, so we've
12 not seen any significant opportunity here for savings.

13 You heard some public comment on it this morning and,
14 indeed, it's one that we've had several letters on this fall.
15 So the Executive Director's recommendation is that this is
16 timely work, it does bear directly on the future recovery of
17 injured resources and that we do have sufficient funds to
18 proceed.

19 CHAIRMAN PENNOYER: Okay. Are there questions
20 on the last one?

21 MR. RUE: Question on this.

22 CHAIRMAN PENNOYER: Yes, Commissioner Rue.

23 MR. RUE: Do you think the amount of money,
24 Stan, that we got here would adequately fund the entire project
25 or is there still a benefit in going to some of the

00123

1 departments, such as Transportation, and asking if they could
2 supplement this? Or could we -- and do a better job?

3 MR. SENNER: Well, it's always -- it's easy to
4 say more money would -- you know, you could do more with more
5 money. I think, though, that I would have to say that I'd take
6 the budget that has been presented to use at face value, they
7 said they could do a good job with those funds and they fought
8 very hard to not reduce it below that level, but they've -- nor
9 has there been any request to us to increase it. So I guess my
10 tendency is to take it at face value and say that that's
11 sufficient, but I would defer if there were any representatives
12 of the Forest Service who want to comment on what would be done
13 with additional funds. And whether there's any realistic
14 chance to obtain them.

15 MR. WOLFE: Well, I don't know the answer to
16 that. Ken, do you.....

17 MR. SENNER: Ken, you got to come up here if
18 you want to.....

19 MR. HOLBROOK: Mr. Chairman, we believe that we
20 can do the project with these funds, but we did do a small
21 amount of decrease at the Executive Director's request. We
22 have been unable, at this point, to get funds from DOT which
23 will compliment the project. We have approached them but have
24 been unable to do anything with that and that's why we've come
25 to this source for the funding.

00124

1 CHAIRMAN PENNOYER: Craig.

2 MR. TILLERY: One of the things that's kind of
3 concerned me is we done all this sort of habitat acquisition
4 and taking things like Shuyak and Kenai Fjords and put them in
5 the State and national parks, is that we are creating increased
6 human use and disturbance through some of those actions we've
7 taken. Will this model be something that can be used for that
8 as well? And another example of this will be coming up, people
9 call it the Whittier Road, but the small boat harbor will also
10 have an impact. But Eshamy and Jackpot Bay are going to have
11 an impact on human usage. Will this, in essence, be a way for
12 us to sort of repay -- or to help plan out for some of the
13 impacts that we've created?

14 MR. SENNER: I think the answer is, yes,
15 Mr. Tillery. The whole idea here of a model is not only that
16 it has applicability within Western Prince William Sound, which
17 is the initial target here, but that a good model is one that
18 can be expanded to other areas. And the original proposal, in
19 fact, that came into the Trustee Council, or I should say the
20 preliminary proposal, would have, up front, addressed the
21 entirety of Prince William Sound. We ask that it be scaled
22 back to the Western Sound to make it more of a pilot effort
23 within a reasonable amount of funding. So clearly there is
24 opportunity to expand application of the model to the full
25 Sound, but also beyond that the Kenai coast and other areas, I

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1 believe, there is applicability in the core of what's proposed
2 here. It would require additional funds and, you know, time to
3 make that application actually happen, but that is the idea of
4 the model.

5 DR. SPIES: I think that a good course would be
6 to see what they come up with in their first year or two of
7 developing this model, and then I think if the model is good
8 it'll sell itself to a certain extent and then we may attract
9 other sources of funding and it be adopted for other areas.

10 CHAIRMAN PENNOYER: Are there other questions?

11 MR. RUE: No.

12 MR. SENNER: That's it, Mr. Chairman.

13 CHAIRMAN PENNOYER: Okay, that is all the
14 deferred projects and the next thing, I think, is this other
15 additional funding under 98126. I propose we do this
16 separately and then perhaps break for lunch and the executive
17 session. Do I have a motion on these?

18 MS. D. WILLIAMS: I move to adopt the Executive
19 Director's recommendations on the deferred projects.

20 MS. BROWN: Second

21 MR. WOLFE: Second.

22 CHAIRMAN PENNOYER: It's been moved and
23 seconded. Is there any discussion or amendments?

24 (No audible responses)

25 CHAIRMAN PENNOYER: Okay. Is there any

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1 objection to adopting the motion?

2 (No audible responses)

3 CHAIRMAN PENNOYER: Therefore, the motion of
4 accepting the Executive Director's recommendation on deferred
5 projects is taken and as listed on the summary table at the
6 start of this section. I don't think I need to read them all
7 off because we did each one of them separately in discussion.

8 Thank you very much, Stan. I think we'll take a break
9 now for lunch of about an hour, maybe, for executive session
10 and lunch. And we'll meet back here somewhere between 1:30 and
11 2:00 and we'll open the door when we're done, I guess. Okay,
12 thank you.

13 MR. TILLERY: Mr. Chair.

14 CHAIRMAN PENNOYER: Mr. Tillery.

15 MR. TILLERY: Yeah, I would move that we go
16 into executive session for purposes of discussing habitat
17 protection issues.

18 MS. BROWN: Second.

19 CHAIRMAN PENNOYER: Move and seconded we go to
20 executive session. Is there any discussion?

21 (No audible responses)

22 CHAIRMAN PENNOYER: Any objection?

23 (No audible responses)

24 CHAIRMAN PENNOYER: Fine, we're now adjourned
25 and we'll go into executive session and meet back here between

00127

1 1:30 and 2:00.

2 (Off record - 12:28 p.m)

3 (On record - 2:50 p.m.)

4 CHAIRMAN PENNOYER: Okay. I'm sorry that we
5 took so long, the executive session was about habitat
6 acquisition matters and we just barely concluded it. I think
7 we'll now come back into the general session and proceed with
8 our agenda. Mr. Tillery is on his way.

9 I'd like to take a moment before we start to honor an
10 associate and employee that's been with this process for a long
11 time. As a matter of fact, he's been with me since practically
12 after the tanker ran aground. That's Byron Morris. Byron is
13 on the NOAA staff and he's been the NOAA staff person on the
14 Exxon since 1989 and one of the leads on it and has been
15 instrumental in a lot of the ability of NOAA to contribute to
16 this process. Byron is retiring January 1st and we're all
17 going to miss him and I have a certificate of appreciation here
18 which I would like to get all of us to sign and then we will
19 sign this and present it to him.

20 It says, Certificate of Appreciation, the Exxon Valdez
21 Oil Spill Trustee Council members extend our deep appreciation
22 to Byron Morris for your contribution to the restoration of the
23 resources and services injured by the Exxon Valdez Oil Spill on
24 behalf of the National Marine Fishery Service. And this goes
25 back to the early damage assessment days right up to the

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1 current process. Bryon has been a key person on our staff and
2 we're certainly going to miss his services. So I will pass
3 that around and we'll get it to him.

4 CHAIRMAN PENNOYER: Now I'd like to go back to
5 the agenda and I believe the last item that we discussed was
6 archaeological restoration. We put it off until after lunch,
7 and this is certainly after lunch. The only other thing I'd
8 notice is that there's some people who have to leave by 4:30,
9 so I'd hope you can make your questions direct and we can carry
10 out the discussion to a reasonable end on each item.

11 So, I don't know, Eric, do you want to lead us through
12 the action memo on archaeological restoration?

13 MR. MYERS: Okay. Actually with Veronica's
14 assistance, perhaps. As you may recall, on October 3rd there
15 was a draft resolution that the Council gave its provisional,
16 conceptual favor to with the proviso that it be subject to some
17 additional review and public comment, and that is included in
18 your packet under the archaeology tab as Attachment A. That
19 was -- after that meeting on October 3rd, there was on October
20 20th a meeting of Community Involvement Facilitators from five
21 of the eight affected communities, which discussed the
22 resolution and participants endorsed the resolution in concept,
23 but also recommended that funding for the local display
24 facilities be increased to \$300,000 for each community with a
25 reduction in funding for a regional repository.

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1 Then on November 5th, the Public Advisory Group also
2 discussed the draft resolution and, as you will see as
3 Attachment B, the Public Advisory Group came up with a somewhat
4 slightly modified resolution which suggested that the total of
5 \$2.8 million be allocated but that the balance struck between
6 the local display facilities and the repository essentially be
7 removed. I'm sorry, that's Attachment C and the minutes of
8 that meeting are Attachment B.

9 And then also there was a meeting, as we noted earlier,
10 between Chugach Alaska Corporation and Chugachmiut, and I think
11 you've heard earlier today as to the upshot of that meeting as
12 related by Lora Johnson.

13 And so today you have before you actually, I guess, in
14 effect three proposals, the original resolution, the PAG
15 modified version of that resolution and then most recently,
16 just today, the proposal that was presented by Lora Johnson on
17 behalf of Chugachmiut. And that is where we find ourselves,
18 Mr. Chairman.

19 CHAIRMAN PENNOYER: Do I have a motion or just
20 discussion, Trustee Council Members? Would anybody care to
21 move an action at this point.

22 MR. TILLERY: Mr. Chairman.

23 CHAIRMAN PENNOYER: Mr. Tillery.

24 MR. TILLERY: I have been spending a lot of
25 time studying this issue and actually I'm little -- I

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1 appreciate that we put this off after lunch so we could have a
2 little bit more time to sort of contemplate the new proposal
3 that was put forward today and actually put forward very
4 articulately. When I have looked at these proposals it has
5 seemed to me that the key element here is that whatever we do
6 has to be sort of self-sustaining in the future. Now, that was
7 one of the most important things about the Alutiiq Museum, was
8 the promise we got that it would have funding to exist into the
9 future.

10 And as this thing has come back and forth to the
11 Council over the last year, every time I've looked at these
12 proposals that's what I've been looking for. And whether it's
13 from the village or the regional corporation. And what I have
14 -- my own view, what I have seen here is that the real
15 possibility for a sort of self-sustaining program, one that
16 will provide ongoing money for traveling exhibits, that will
17 provide ongoing money for archaeological work in the villages,
18 one that will provide ongoing money for area watches and those
19 kinds of things, has got to be something that has a strong
20 base, sort of in a larger location and that can use the display
21 part of the repository to essentially make money. And again,
22 the only one that I've seen that, to me, seems to accomplish
23 that goal would be where there's a fairly significant regional
24 repository and display facility.

25 I also think that we're dealing with a finite amount of

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1 money that we have to devote to this. Looking at all those
2 factors, it appears to me that of these three choices the one
3 that I believe has the greatest chance to succeed would be the
4 original resolution which would propose essentially a million
5 dollars for regional facility, \$200,000 to go to each of the
6 affected -- or each of the eight communities and then \$200,000
7 to go to the -- to set up the traveling exhibits. And for that
8 reason and for purposes of starting some discussion, I would
9 move the adoption of that resolution.

10 MR. RUE: I'll second that.

11 CHAIRMAN PENNOYER: It's been moved and
12 seconded to adopt the original resolution, is there further
13 discussion? Ms. Williams.

14 MS. D. WILLIAMS: Well, this is very tough. I
15 certainly understand and appreciate -- I don't want to say
16 advice, but I certainly understand and appreciate Mr. Tillery's
17 comments because that reflects my thinking, I think the
18 Department's thinking, you know, as of the time we made that
19 resolution. The challenge here, of course, is that Chugachmiut
20 and others have done a lot of community outreach and they have
21 presented to us a different proposal. And I am really torn by
22 the merits of what Mr. Tillery said and the fact that, you
23 know, as of December 17th we have the proposal that we have
24 from Chugachmiut with the PAG proposal being somewhat in
25 between. It would be very simple if there were convergence of

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1 views on this issue. There isn't a convergence of views on
2 this issue as we speak, and so I think the Trustee Council has
3 one of three options. I'm not sure where I am on these three
4 options, but let me lay out three options, maybe we can put
5 other options and then dissect them.

6 One is to do precisely what Mr. Tillery said, adopt our
7 previous resolution, maybe our previous resolution with small
8 modifications. Another is to do something more similar to what
9 Chugachmiut has presented and see what the proposals look like.
10 We're not in this process committing to ultimate decision.
11 What we're basically doing is committing to the outlines of an
12 RFP process, unless I'm mistaken. So basically what we're
13 saying is this is what we're going to put out and say, respond
14 to this, these outlines for your proposals. The third option
15 is to do both, say we're going to put out something similar to
16 Chugachmiut and, again, it could be modified and we're going to
17 put out something similar to previous resolution and let's see
18 what proposals we get and then we'll make the hard decision in
19 May or June or whatever our timetable would suggest.

20 The downside of option three -- I mean, on the one side
21 you say, option three sounds great, the downside of option
22 three, of course, it means then there may be a breaking away as
23 opposed to a coming together in putting the RFP, so option
24 three has its costs. Option three is not cost less. But I
25 just present that, I'm still very uncertain. I'd like to hear

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1 what other Trustee Council members have to say.

2 CHAIRMAN PENNOYER: Okay.

3 MR. WOLFE: Mr. Chair.

4 CHAIRMAN PENNOYER: Mr. Wolfe.

5 MR. WOLFE: You know, I guess I'm with Deborah
6 to some degree on this. As the Chugachmiut has given us a
7 proposal that may or may not have one regional repository, we
8 don't know the timely answer to that. And they've indicated in
9 their proposal that they would like for this to be
10 self-sustaining. We clarified this morning that it wasn't an
11 intent that we would be putting money for the operation end of
12 it. So it could be that their proposal is very close to ours
13 except for the amount of money that would go for administrative
14 purposes and the amount of money that may be needed at the
15 village level.

16 So it could be that their proposal, if finally worked
17 out, could be very close to ours. But we don't know until they
18 move and continue their process. And so maybe if we had some
19 idea of what they view as their next step for moving towards
20 finalizing, whether it's one or two repositories, it would help
21 us in our deliberation to get that. It might make it simpler
22 for us.

23 CHAIRMAN PENNOYER: A clarification on the
24 options. The Chugachmiut proposal, of course, is for three and
25 a half million, not for our 2.8 aggregate amount that we

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1 originally had or that the PAG had. Are you talking about
2 going with the full three and a half then?

3 MS. D. WILLIAMS: We need to discuss.

4 CHAIRMAN PENNOYER: The administrative costs.

5 MS. D. WILLIAMS: I did not intend the
6 administrative cost -- I never thought administrative costs
7 would be on top of the funding amount, so I guess if I were
8 vote for the Chugachmiut proposal it would be at the
9 approximately \$3,000,000 level.

10 CHAIRMAN PENNOYER: All right. Any other
11 comments then before we.....

12 MS. D. WILLIAMS: With some, again, perhaps
13 even internal modifications.

14 CHAIRMAN PENNOYER: Mr. Rue, you seconded
15 Mr. Tillery's motion, maybe you want to speak to that?

16 MR. RUE: Yeah, I think -- I have very similar
17 feelings to Craig on this, that we were very concerned that
18 this be successful and self-sustaining and it seemed like a
19 repository that's the primary entity that then has village
20 satellites and then traveling displays made the most sense in
21 terms of having something with enough, what's the right word,
22 ability to generate income and things like that, that it would
23 be an ongoing proposal and so I was -- I had a problem with the
24 idea of two regional repositories. I'm not sure how that can
25 work. I guess I'm also struggling to understand the real

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1 differences besides the funding. I think the main difference
2 is the one or two regional repositories, then the amounts are
3 different. But is that everyone's understanding of the main
4 differences?

5 MS. D. WILLIAMS: One of the major differences
6 is where the regional repository would be. Under our original
7 proposal it could be Fairbanks. I think Chugachmiut is saying
8 they absolutely want the regional repository in one of the
9 eight communities.

10 MR. RUE: Right.

11 MS. D. WILLIAMS: And that's not debatable.
12 And there would be one or two regional repositories in the
13 eight communities. We didn't have that restriction.

14 CHAIRMAN PENNOYER: I think -- isn't the
15 Chugachmiut proposal one or at the most two regional
16 repositories?

17 MS. D. WILLIAMS: Yes.

18 CHAIRMAN PENNOYER: It doesn't say there
19 automatically have to be two.

20 MS. D. WILLIAMS: Correct.

21 CHAIRMAN PENNOYER: And there's some difference
22 in the amount of money that might be required, either in a
23 local or central facility. And I'm not, I guess -- this is
24 probably my fault, but I'm not clear that I understand how this
25 all relates to the actual archaeological items we're talking

00136

1 about. And how much is really required in any one place to
2 display them and how is automatically got to be the size of a
3 regional repository. And we've had presentations on that, but
4 I will confess to you that I have thought the final proposal
5 would speak to that. We have a cultural imperative feeling
6 here that our artifacts ought to be in our community. And at
7 the same time we got the question of just how many that is and
8 how it relates to the oil spill and it may be quite variable
9 from area to area that we're looking at.

10 And then there's the question of whether a regional
11 repository can be in one of these communities, how big it has
12 to be. I'm hesitant to sent out two divergent proposals. At
13 the same time there's some elements there that are pretty much
14 in common, they both do talk to regional repositories. One
15 says the community facilities need to be larger than envisioned
16 by the Exxon proposal. I don't know the answer to that, I
17 mean, maybe it is in one of them, it has to be bigger than
18 others, maybe they don't all have to be the same size. I'm not
19 clear on how that works. I mean, I understand contribution-
20 wise that creates problems but in terms of what we're actually
21 trying to accomplish here, which is the ability to recover,
22 retain and display in either all the time or on a rotating
23 basis those appropriate artifacts that from your area and your
24 culture and so forth. I don't know whether those are all
25 exactly same size or the same concern or the same number of

00137

1 sites in each area or that Cordova has a lot more of them, some
2 other place might not have any, I don't know for that area. So
3 I don't know the answer to that.

4 But Mr. Tillery is right, part of the concept of this
5 was like in Kodiak, it was going to be self-sustaining. Now
6 that didn't necessarily mean you were charging admission to
7 self-sustain. Maybe it's a shareholder paying thing or maybe
8 it's an automatic overhead to a corporation or whatever.
9 That's certainly easier to envision, one central thing that
10 then sponsors all the traveling process and everything else,
11 rather than each community. And maybe the communities can come
12 together and come up with a funding source and guarantee a
13 funding source too. I don't know. Does anybody have any
14 feeling for that? I mean maybe this isn't charging admission
15 or selling T-shirts next to the SeaLife Center, maybe it is
16 something that could be contributions or taxations within an
17 infinity of communities that we would be satisfied was a
18 reasonable way of doing this.

19 Commission Rue.

20 MR. RUE: I'm not sure, Mr. Chairman, if that's
21 right. I'm not sure we had a vision of how it would be paid
22 for. I think -- I would guess that the issue of the eight
23 communities is not a big deal.

24 CHAIRMAN PENNOYER: I'd guess too.

25 MR. RUE: My sense is that the Council would

00138

1 say, it should be in one of the eight communities. And so I
2 think that's something we could amend in the resolution, fairly
3 simply, to make that clear.

4 I guess I'm also not hung up on how much money goes
5 into each place. If the region has got a great idea, they've
6 got -- some communities may have facilities that are already
7 quite good and they may not need a lot of renovations, other
8 communities may need significantly more money, I'm totally
9 flexible there as well. I'd like the top dollar to be about
10 what we said before, but in terms of the mix within the region
11 of how it happens, I guess I'm not concerned. I think folks in
12 the region can evaluate what facilities they have and which
13 ones need renovation and at what level and come up with a mix
14 within the total. But I guess, for me, I think it comes down
15 to whether we say we want one main thing plus all the others or
16 whether we want to allow for up to two. So I think maybe
17 that's the main point.

18 And I guess my sense still is we want one. Leave
19 flexible about how much money in each community and then the
20 traveling, we had for the traveling we had up to a certain
21 amount. And I guess we could always entertain a clause in
22 there that says, we would -- we're not going to reject
23 proposals that don't exactly meet these criteria and that sort
24 of gives someone an opening to come in and tell us we were
25 fools and we really missed the boat and here's what you ought

00139

1 to do. But I think we ought to give them a sense of our
2 preference up front.

3 CHAIRMAN PENNOYER: Let me ask one other
4 question then in terms of -- I'm not a museum expert by any
5 degree but it seems to me that -- and I think people, certainly
6 locally, would disagree with that, but it seems to me that
7 there's a certain amount of training and background required to
8 really manage this type of thing. And in the case of Kodiak we
9 had a situation where they were able to hire one or two people
10 who would sort of monitor how this all this went. And this is
11 going to be even more diverse because it's monitoring
12 collections over a broader area that are actually moving
13 around. I still think from that standpoint if you have a
14 central focus of some kind you're probably better off in
15 everybody guaranteeing that their particular area of interest
16 is being taken care of. And you can still have a loose knit
17 association whereby all people who are members of this have
18 some say in the ground rules. And you can form a board
19 composed of all your village groups that actually contribute to
20 the guidelines that are going to dictate how this is done.

21 So I think we're still more focused on one central
22 concept without getting hung up on the amount of money that
23 necessarily goes into each element of this. And as some might
24 require more money and some might require less and I think
25 we're definitely.....

00140

1 (Phone line went out)

2having this within the eight communities.

3 (Phone noise)

4 Rebecca.

5 MR. RUE: Are we back on the net?

6 CHAIRMAN PENNOYER: Well, we were on the net
7 supposedly. Hello, are we reconnected, this is the Trustee
8 Council meeting.

9 MR. RUE: Echoing.

10 MS. BROWN: Echoing and feedback.

11 CHAIRMAN PENNOYER: There's a lot of echo in it
12 too.

13 MS. R. WILLIAMS: I'm going to mute you for a
14 minute and I'm going to call.

15 CHAIRMAN PENNOYER: Okay. At any rate, I don't
16 know that we're -- I think we do have that feeling that we do
17 need some central focus for a number of reasons, including the
18 ability to coordinate and fund raise. And we're not hung up on
19 the total amount in each individual unit, except one,
20 obviously, is going to require more funding than the others.
21 And third, we're pretty well hung on that total of 2.8 or
22 \$3,000,000, not more. And if we had something that embodies
23 those three ideas and allows some degree of flexibility for
24 people to work with it, then maybe that's the best we can send
25 out. I really am hesitant to send out two, seemed to be total

00141

1 divergent proposals and ask people to.....

2 MR. RUE: Yeah, so am I. I think we ought to
3 let people know our preference.

4 MS. D. WILLIAMS: Yeah. Arguably, yes.

5 CHAIRMAN PENNOYER: Given that, Mr. Tillery, do
6 you have some suggestions on how we might alter the language of
7 our original resolution to reflect some of the valuable
8 community concepts brought forward by Chugachmiut and also
9 still going along with what we're talking about?

10 MR. TILLERY: Well, a couple of things that
11 come to mind. One would be under the resolution under 2(a),
12 where it says establishment of a single regional repository.
13 To amend that to say, establishment of a single regional
14 repository within one of the eight communities.

15 CHAIRMAN PENNOYER: Okay.

16 MR. TILLERY: A second would be, and I think
17 this was actually a good suggestion, under -- on the next page,
18 under 2(b) where it talks about the construction of new or
19 renovated community facilities, on the second sentence to say
20 the request may not exceed \$1.6 million total for the eight
21 communities, leaving flexibility for there to be in there.
22 Then.....

23 CHAIRMAN PENNOYER: Great.

24 MS. BROWN: Right. And no sense of
25 entitlement.

00142

1 MR. RUE: You'd get rid of (a)(5)? So you'd
2 combine the cost of (a) and (b)?

3 MR. TILLERY: Well, that's what I was getting
4 to next.

5 MR. RUE: Oh, okay.

6 MR. TILLERY: Then that would suggest that with
7 (a)(5), that number would go from 1,000,000 to 800,000.

8 MR. RUE: So what would.....

9 MR. TILLERY: Because since this will, by
10 definition, be in one of the communities, that would still with
11 -- say 200,000 would still leave a minimum or not, either way.
12 I can see leaving it at a million because that then spreads --
13 leaves just a little bit more money to spread around when some
14 other community.

15 MS. D. WILLIAMS: That's true.

16 MR. RUE: So let me make sure I understand what
17 you're saying. Under (b), you added a sentence, right at the
18 end that said.....

19 MR. TILLERY: I amended the second sentence to
20 say, the request may not exceed. And then I inserted \$1.6
21 million total for the eight communities.....

22 MS. BROWN: Total.

23 MR. TILLERY:and deleted the 200,000 per
24 community.

25 CHAIRMAN PENNOYER: Can I ask a question at

00143

1 that point? I'm chairing this, I can. I didn't know who I was
2 asking. In the future these facilities could be converted to
3 repositories using non-Trustee Council funds.

4 MR. TILLERY: Sure.

5 CHAIRMAN PENNOYER: Now, how do we feel about
6 that sentence, relative to the concept of having some type of
7 an overall arrangement here that ties all this together. Are
8 we viewing that any individual subgroup would be free to sort
9 of go out and do their own thing and just keep the pieces and
10 not sign on to supporting a central repository? That sentence
11 seems to sort of say this could be an eight community agreement
12 but at some point it might break down to only a four community
13 agreement. And that isn't exactly in the spirit of what I
14 envisioned this package would look like.

15 MR. TILLERY: Mr. Chairman, it seems to me
16 there may be a community that for some particular artifacts has
17 such a local tie or such a community tie that they may wish to
18 be a repository for a portion of this collection. And for that
19 reason I think that option should remain open. If we're not
20 doing it and they can find someone else who believes it's
21 financially feasible, they should be allowed to do it.

22 CHAIRMAN PENNOYER: Thank you.

23 MR. TILLERY: That would be my.....

24 MR. RUE: Right, I would agree that we
25 shouldn't hinder that kind of thing.

00144

1 CHAIRMAN PENNOYER: Okay.
2 MR. TILLERY: So I guess I -- getting back to
3 my other thing. Thinking more about this, I would suggest that
4 we leave (a) (5) at \$1,000,000.
5 MS. D. WILLIAMS: Yeah.
6 CHAIRMAN PENNOYER: Okay. How would you modify
7 (c) then at all? They crossed out the 200,000, would you leave
8 that in?
9 MR. TILLERY: I think (c) should remain in
10 there, I think that's very important.
11 MS. BROWN: Um-hum.
12 CHAIRMAN PENNOYER: Okay, thank you.
13 MS. D. WILLIAMS: And what did you with the
14 1,000,000?
15 MR. TILLERY: I left it a million.
16 MS. D. WILLIAMS: Okay. Yeah.
17 CHAIRMAN PENNOYER: Okay.
18 MR. RUE: Question, Mr. Tillery. The not to
19 exceed. Do you like the hard ceiling? One thing and I was
20 just toying with the idea of having it -- it should be
21 approximately and then have the total project.....
22 MR. TILLERY: I like the not to exceed myself.
23 MR. RUE: You like the not to exceed. Okay.
24 CHAIRMAN PENNOYER: You sort of invite
25 proposals like people pointing out the costs and coming in.

00145

1 And I think if it's significantly -- obviously if someone came
2 up within \$50,000 we're probably not going to get excited but
3 if that really is required, but if it's half a million or more.

4 MR. RUE: Okay.

5 MS. BROWN: Yeah, I think it's important to
6 have the expectations laid out pretty clearly.

7 CHAIRMAN PENNOYER: Do you wish to make a new
8 motion? Or a friendly amendment to your own motion or however
9 you do that?

10 MR. TILLERY: I would like to amend my previous
11 motion to reflect the discussion I just.....

12 CHAIRMAN PENNOYER: With the concurrence of the
13 second?

14 MR. TILLERY: With concurrence of the second.

15 CHAIRMAN PENNOYER: Does the second concur to
16 amending the motion to what Mr. Tillery just read recently?

17 MR. RUE: Yes, I do.

18 CHAIRMAN PENNOYER: Okay, so we have an amended
19 motion in front of us which is the original motion, including
20 -- now have we kept the do not exceed 2.8 million or did we go
21 to 3,000,000 on that?

22 MR. TILLERY: It's a total of 2.8.

23 MS. BROWN: Total of 2.8.

24 CHAIRMAN PENNOYER: Okay, 2.8. And has
25 established the single regional repository within one of the

00146

1 eight affected communities. It keeps the section of 2(a)(5) at
2 costs not to exceed a million dollars. It adds the part under
3 B(2)(b), that says the request may not exceed 1.6 million total
4 for the eight affected communities. Then it keeps the final
5 section under (c) the request for the traveling repositories,
6 in effect, may not exceed \$200,000. Is that correct,
7 basically?

8 MR. TILLERY: Yes.

9 CHAIRMAN PENNOYER: Okay. Did you get that?

10 MR. RUE: Um-huh (affirmative).

11 CHAIRMAN PENNOYER: Okay. Is there any further
12 discussion on this motion?

13 MS. D. WILLIAMS: Mr. Chairman.

14 CHAIRMAN PENNOYER: Yes, Ms. Williams.

15 MS. D. WILLIAMS: I think I like this but as
16 long as Lora Johnson is in the audience I think we might as
17 well take advantage of her being here, and anyone else who
18 wishes to speak to this. My only concern is on the 1.6 total
19 pot. On the one hand I like the idea because I think we heard
20 before from Lora and others that there's some communities that
21 may not need to do that much and other communities that want to
22 do more, and that certainly gives that flexibility.

23 On the other hand, I wonder if that, you know, just
24 will become very divisive among the communities, you know, that
25 some will get more and some will get less. I hope your answer

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1 is the former, that this will give you flexibility and work out
2 well, but I just want to know whether this could be highly
3 divisive.

4 MS. JOHNSON: I think what the communities will
5 probably look at it, is whether it's written in there or not
6 (indiscernible).....

7 REPORTER: Ma'am, you're going to have to come
8 up. Thank you.

9 MS. JOHNSON: As I was saying, that I think
10 whether it's written in there or not, that the communities will
11 look at it as though it's ball-parking about 200,000 per
12 community. And I think what we'll find is that some
13 communities that are able to do it for the 200,000, if it's a
14 renovation, because I don't think that it's possible to build a
15 new facility for that amount, that they will be able to move
16 ahead. Those that are planning on a new facility, what will
17 happen is that they will probably have to go and look for
18 additional funds. I mean, that that will be the approach
19 there.

20 MS. D. WILLIAMS: Okay.

21 MS. JOHNSON: So I can see where, you know,
22 it's a step forward in terms of moving towards something, but I
23 think that it also -- we'll probably slow it a little bit in
24 that, you know, we will probably be looking for additional
25 funds and -- for the new facilities.

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1 MS. D. WILLIAMS: Yeah.

2 CHAIRMAN PENNOYER: Ms. Williams, do you make a
3 motion to the change or are you happy staying with that for the
4 time being?

5 MS. D. WILLIAMS: I'm happy to stay with that
6 for the time being. The only confusion now is the million
7 dollars. And, Craig, take another look at this in terms of --
8 I want to make sure -- actually because one community, ideally,
9 will get a million dollars for the regional repository. How
10 about 1.6 million total for the seven remaining communities?

11 MR. RUE: I was sort of wondering about that
12 myself.

13 MS. D. WILLIAMS: Yeah.

14 MR. TILLERY: Well, I guess my thought was that
15 the original plan was a million dollars and it could have gone
16 outside, but still under the original motion it could have
17 stayed within one of these eight communities.....

18 MS. D. WILLIAMS: Right.

19 MR. TILLERY:and I think it's probably a
20 good chance it would have. You're right, we could either cut
21 that down to -- or leave that at a million and do it for the
22 other seven. I think the extra 200,000 may be -- if the one
23 community that does the regional takes that 1,000,000, the
24 other communities may be able to persuade them that that
25 200,000 could, you know, be moved around among the remaining

00149

1 seven to create a.....

2 MS. D. WILLIAMS: How about if we just put the
3 remaining seven?

4 MR. TILLERY: At 1.6?

5 MS. D. WILLIAMS: Yeah.

6 MR. TILLERY: Then.....

7 MS. D. WILLIAMS: It still keeps us at our cap.

8 MR. TILLERY: No, it doesn't, it reduces us by
9 200.

10 CHAIRMAN PENNOYER: Yes, it does.

11 MS. D. WILLIAMS: No, 1.6 for seven.

12 MR. TILLERY: 1.6 for seven, I'm sorry.

13 MR. RUE: No, it keeps us at.....

14 MR. TILLERY: Yeah.

15 CHAIRMAN PENNOYER: That's effectively how it's
16 going to work anyway.

17 MS. D. WILLIAMS: Yes.

18 CHAIRMAN PENNOYER: Because we don't expect
19 that one community is going to get 1.2 million.

20 MS. D. WILLIAMS: Right.

21 CHAIRMAN PENNOYER: So why don't we just say
22 the seven then, do you accept that as incorporation to your
23 amendment and I think that keeps the spirit of what you were
24 trying to do anyhow.

25 MS. D. WILLIAMS: Yeah.

00150

1 MR. TILLERY: Seven communities, other than one
2 that will be housing the regional facility.

3 CHAIRMAN PENNOYER: Right, right, right.

4 MS. D. WILLIAMS: Right.

5 CHAIRMAN PENNOYER: The seven communities
6 outside of the one regional facility or something like that.

7 MR. TILLERY: Right.

8 CHAIRMAN PENNOYER: Outside the regional
9 facility -- Eric will probably reword that for us.

10 MR. WOLFE: It's consistent that they're
11 saying.....

12 CHAIRMAN PENNOYER: Okay, does everybody
13 understand where we are? And does the second accept that
14 amendment just to cover all the bases?

15 MR. RUE: Yes.

16 CHAIRMAN PENNOYER: Thank you. Is there any
17 further discussion of this amendment?

18 (No audible responses)

19 CHAIRMAN PENNOYER: Okay, is there any
20 objection to adopting?

21 MS. D. WILLIAMS: The only thing.....

22 CHAIRMAN PENNOYER: Ms. Williams.

23 MS. D. WILLIAMS:and going back to
24 Craig's original point.....

25 CHAIRMAN PENNOYER: You only get two more only

00151

1 things.

2 MS. D. WILLIAMS: Craig, you're going to like
3 this. Yeah, this is all together. I mean, I think everyone
4 has heard the sentence, but when you read this it doesn't say
5 as clearly as I think we all want to say that we want to see
6 the proposals, particularly for the regional repository, be
7 self-sustaining. And so -- is it, in so many words, in this
8 resolution? I don't know if Craig would like to put that
9 actual language in or do you.....

10 MR. TILLERY: Well, it's under subsection (3)
11 is where it is.

12 MS. D. WILLIAMS: Okay.

13 CHAIRMAN PENNOYER: Actually it's covered.

14 MS. D. WILLIAMS: Okay, okay, maybe it is
15 adequately there, yeah.

16 MR. TILLERY: And I think it's obviously real
17 clear.

18 MS. D. WILLIAMS: Okay, very good.

19 MR. TILLERY: I think it should be real clear
20 to everybody that that's a major concern of everyone on this
21 Council.

22 MS. D. WILLIAMS: Yes, yes, we got the idea.

23 CHAIRMAN PENNOYER: Okay, can we try that then?
24 Does anybody object to the adoption of this resolution as it
25 was amended then?

00152

1 (No audible responses)

2 CHAIRMAN PENNOYER: Fine thank you very much.

3 And is there any timing, then, on this? Specifically when does
4 this come back before us?

5 MR. TILLERY: April 15th.

6 CHAIRMAN PENNOYER: April 15th, that's.....

7 MS. BROWN: You'll revise this?

8 MR. MYERS: Well, yeah, we'll revise it for
9 purposes of signature, but in terms of the overarching time
10 line that's contemplated, the hope is that proposals could be
11 prepared for the -- in sync with the next Work Plan, so we'd
12 receive proposals on April 15th. That's the -- so we get an
13 RFP out with the idea that proposals would come back on April
14 15th, at the same time the other proposals for the next Work
15 Plan are due.

16 CHAIRMAN PENNOYER: So with this revised
17 resolution the Executive Director will send something or fax
18 the communities with the time line attached to it of when we
19 expect a proposal to look at?

20 MR. MYERS: Well, this would be developed.
21 From this we would develop this into an RFP.

22 CHAIRMAN PENNOYER: Okay.

23 MR. MYERS: Which would go out with the idea of
24 having proposals back from the communities for review by April
25 15th.

00153

1 CHAIRMAN PENNOYER: Okay. Fine, thank you. Is
2 there any further discussion of this matter at this time?

3 MS. D. WILLIAMS: I just wanted to thank
4 Chugachmiut and everyone else whose worked very hard on this.
5 I know this has been a hard process. We look forward to some
6 good proposal, we look forward to doing this.

7 MS. JOHNSON: If I could just also echo, I
8 really appreciate everybody's willingness to work with us
9 through this, that we're really excited about it.

10 CHAIRMAN PENNOYER: Very appropriate comments.
11 And we thank you, particularly, for coming.

12 Okay, can we move on then. The next item was going to
13 be deferred projects, we did those. The next is budget
14 amendment on Project 98126 and, Eric, can you lead us through
15 that?

16 MR. MYERS: Sure. I think most everyone should
17 have a copy of this proposal. It's a budget amendment from the
18 existing 98126 budget. It reflects a couple of components, and
19 most particularly it addresses the need for additional funding
20 to support the Sitkalidak Island exchange between Old Harbor
21 and the State of Alaska, as well as for additional funding for
22 the Alaska Department of Fish and Game's involvement in the
23 Afognak Joint Venture negotiations. The material in your
24 packet, actually there is a very minor calculation disparity
25 having to do with calculation with the general administration.

00154

1 And the total should actually be 70.0 rather than 70.9. And
2 with your indulgence we can correct that in the final document
3 that is finally recorded.

4 So the detailed budget is before you and there's also
5 some funding in there for the -- to support the costs
6 associated with the Department of Law's travel and negotiation
7 effort. And finally I would also note that the budget, this
8 Sitkalidak land exchange effort is envisioned to probably take
9 two years, extending into FY99, and there's also an indication
10 there that the second year costs are estimated at 42.8, that
11 would be a function of how long it took. If it were
12 accomplished more quickly then those cost would either be less
13 or avoided all together potentially.

14 CHAIRMAN PENNOYER: Eric, would you, for my
15 benefit, relate that to what's on the second page of the forms
16 in front of us, two of nine? They both have the same topic but
17 different costs and some of the same words and some different
18 words.

19 MR. MYERS: Okay. Right, this is a -- the
20 first page of one of nine reflects the total total of all three
21 of those elements, including the costs associated with the AJV
22 support for Fish and Game, the costs associated with the
23 Sitkalidak land exchange and the Department of Law's
24 negotiation support. The second page reflects two of those
25 things, the Sitkalidak land exchange effort and the Department

00155

1 of Law travel and contractual line and the associated GA.

2 CHAIRMAN PENNOYER: Are the second page is
3 embodied in the first page, so what we're being requested is
4 only 70,000 or is it the sum of those?

5 MR. MYERS: Seventy thousand is the request
6 which includes all of those.

7 CHAIRMAN PENNOYER: And that includes the 51.9
8 which is on the second page?

9 MR. MYERS: That is for the Department of
10 Natural Resources which includes the Sitkalidak land exchange
11 and support.....

12 CHAIRMAN PENNOYER: No, I meant, did we pass
13 the 70,000 and include the 51.9 on the second page is included
14 in the first page, 70,000?

15 MR. MYERS: Yes, that's right, yes.

16 CHAIRMAN PENNOYER: So 70,000, not 121,000,
17 right?

18 MR. MYERS: Correct, correct.

19 CHAIRMAN PENNOYER: Okay. Thank you.

20 MR. RUE: Seventy out of what? What was that
21 again?

22 CHAIRMAN PENNOYER: It's 70 -- you don't add
23 those two pages.

24 MR. RUE: Yeah, yeah, okay.

25 CHAIRMAN PENNOYER: Page two is embodied in

00156

1 page one, it's not additive, we're looking at \$70,000.

2 MS. D. WILLIAMS: Mr. Chairman, I move to
3 approve the budgetary change.

4 MR. TILLERY: Second.

5 CHAIRMAN PENNOYER: Okay, moved and seconded
6 that we approve the budget request as shown on page one of nine
7 in the 98126 worksheet. Is there any further discussion of
8 this item?

9 (No audible responses)

10 CHAIRMAN PENNOYER: Is there any objection to
11 the adoption of this motion?

12 (No audible responses)

13 CHAIRMAN PENNOYER: Hearing none, it's adopted.
14 Thank you. Okay, the next question, I think the Tatitlek
15 package amendment is not something that we're discussing at
16 this moment and further information is being provided for us.
17 We're going on then to the small parcel aspect and we're
18 starting out with the Blondeau parcel, which is a specific tab
19 under -- right after 98126, next is the PWS 1056, the Blondeau
20 parcel. And, Eric, you want to take us through that, too.

21 MR. MYERS: The specific question before the
22 Council today concerns designation -- the proposal is to
23 designate the Blondeau parcel as a parcel meriting special
24 consideration that would allow the process to continue and for
25 there to be an appraisal of this parcel. It's not a specific

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1 commitment to the acquisition, per se, but it would allow,
2 under our process, for the appraisal to be conducted and at
3 some -- and after that the action would be back before the
4 Council for further consideration.

5 And you heard testimony today and there's a wealth of
6 information in that section of the binder reflecting on the
7 outpouring of local public support for this particular
8 acquisition. We also heard that the City of Valdez has gone on
9 record indicating its strong support for this acquisition and
10 its willingness to, in effect, contribute for a nominal \$10
11 cost an additional adjacent adjoining 50 acres.

12 So that's the question as to whether to allow this to
13 advance from the -- it was right on the cusp between low and
14 moderate. It ran to 18 which was right on the balance point
15 and so the Department of Natural Resources is asking for the
16 designation for parcel bearing special consideration status to
17 proceed.

18 CHAIRMAN PENNOYER: Comment or a motion?

19 MR. RUE: Do we need a motion? I can make a
20 motion. I'd like to move that we designate this as a parcel
21 meriting special consideration and move ahead to the appraisal
22 stage.

23 MS. BROWN: Second.

24 CHAIRMAN PENNOYER: It's been moved and
25 seconded we take this on as a parcel meriting special

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1 consideration and move on to the appraisal phase. Is there
2 comment or discussion on this? Yes, Mr. Wolfe.

3 MR. WOLFE: I'm not clear how much we're
4 requesting as a part of this resolution for the appraisal. It
5 that already covered or is that under.....

6 UNIDENTIFIED: (Indiscernible - away from
7 microphone).....

8 CHAIRMAN PENNOYER: The answer was it's
9 covered, correct?

10 MR. MYERS: Yes.

11 CHAIRMAN PENNOYER: Okay, thank you.

12 MR. WOLFE: Okay, thank you.

13 CHAIRMAN PENNOYER: Commissioner Rue.

14 MR. RUE: I simply reiterate what I said
15 before, I think this parcel for all the reasons we've heard
16 today does merit further review and appraisal. I think the
17 public support for it, the city support for it, the fact the
18 city's willing to put in 50 acres of its own, to me, makes it a
19 pretty easy decision to go ahead with an appraisal and move
20 ahead with the process.

21 CHAIRMAN PENNOYER: Technical question. Would
22 we get an appraisal of the 50 acre value as well, the donated
23 50 acres? Not that it's -- since you're not buying it, I don't
24 suppose it's -- it's certainly worth \$10.

25 MR. RUE: Do we? I don't know, maybe there's

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1 a.....

2 MR. MYERS: I'm not sure that we would require
3 an appraisal. As a point of information, I don't know, I pre
4 -- I don't know. Carol, would it be possible to obtain value
5 for the adjoining 50 acres as part of the appraisal process, is
6 that.....

7 CAROL: I'm not sure, we could contact an
8 appraiser (indiscernible - away from microphone)

9 MR. RUE: Do we need to if we're going to
10 accept the.....

11 CHAIRMAN PENNOYER: I don't think we would
12 (Indiscernible - all talking at once)

13 MR. RUE: Unless the city wanted it. My motion
14 didn't include that.

15 CHAIRMAN PENNOYER: Well, fine. We're talking
16 on your motion then, it has not been amended, it was just a
17 question. So is there any further discussion of the motion?

18 MR. TILLERY: Mr. Chairman, I would assume that
19 there is probably city property assessment on that that would
20 provide some evidence of valuation.

21 CHAIRMAN PENNOYER: The only reason I brought
22 it up, it certainly is a very valuable adjunct to this property
23 and very much appreciated. And I think knowing, generally, the
24 value of it would be appropriate in making the final decision.

25 MR. TILLERY: Mr. Chairman, I guess I have to

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1 say, I think it's kind of important, I think it's critical, I
2 think it's very, very critical that Valdez came forward with
3 this. And the other thing I looked at is throughout this
4 process the City of Valdez really hasn't come forward and asked
5 for a lot of things from this Council and I think the fact that
6 they have come forward with this, and in such a united fashion,
7 and bringing something to the table, I think is very
8 significant and for that reason I would support this motion.

9 CHAIRMAN PENNOYER: Thank you. Are you ready
10 for a vote on it?

11 (No audible responses)

12 CHAIRMAN PENNOYER: Is there any objection for
13 adoption of this motion?

14 MR. RUE: No objection.

15 CHAIRMAN PENNOYER: It's considered adopted
16 then. We'll proceed with the appraisal on the Blondeau
17 property.

18 Okay, next action item was on Baycrest, Kenai-12.
19 Eric.

20 MR. MYERS: Mr. Chairman, the Baycrest parcel
21 is one that has been under consideration for an extensive
22 period of time. It's down outside of Homer and it's -- finally
23 there's, I guess, an appraised value that the owner and the
24 State have both identified as reasonable, I believe, and I
25 think we're at the point of being able to make an offer. If

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1 there's anyone that interested in all the history I'm sure Alex
2 Swiderski can provide you with plenty of background on this
3 one, but we've had this one in the pipeline for quite a long
4 time.

5 CHAIRMAN PENNOYER: Thank you. So the action
6 requested is to approve the making of an offer at this amount?

7 MR. MYERS: Yes.

8 CHAIRMAN PENNOYER: At \$495,000, at the
9 appraised value; is that correct?

10 MR. SWIDERSKI: You have a resolution which I
11 provided.

12 CHAIRMAN PENNOYER: It's not in the package so
13 that's why I was asking what we were being expected to do. I'm
14 not sure it's in any of these items.

15 MS. D. WILLIAMS: Does the resolution include
16 all of the small parcels?

17 MR. SWIDERSKI: It includes all the parcels,
18 both Baycrest and the two Kodiak parcels and the two Salamatof
19 parcels. On Kodiak we would obtain far more than the two, but
20 unable to.....

21 MR. RUE: I'm sorry, I couldn't hear you, Alex.

22 MR. SWIDERSKI: Pardon?

23 MR. RUE: Were you describing the resolution?

24 I couldn't hear you.

25 MR. SWIDERSKI: Yes. Okay, I'm sorry. The

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1 resolution, there's really three parts to it. The first is the
2 Baycrest part that Eric Myers has just referred to. The second
3 portion of it deals with the parcels on Kodiak Island, there
4 are two parcels that the Council has already identified and had
5 appraised, KAP-220 and 226. And I believe they were appraised
6 80 and \$240,000 each. The sellers there have indicated that
7 they will only sell those parcels if they can sell a block that
8 includes, I believe, 14 additional parcels. The Conservation
9 Fund has come up with an additional \$631,000 to buy those
10 other 14 parcels which would be conveyed to the Fish and
11 Wildlife Service and the State.

12 CHAIRMAN PENNOYER: Alex, I'm sorry, I'm
13 getting a little confused. We got a whole series of actions
14 here, specifically particular pieces of property.....

15 MR. SWIDERSKI: Right.

16 CHAIRMAN PENNOYER:and you're sort of
17 bringing a whole bunch of new things in here and this is -- can
18 you somehow relate back to what I read originally, which was
19 the original individual items, like here's Kenai-1051, 1052 and
20 then it goes to KAP-226, then KAP-220. These are totally not
21 related.

22 MR. SWIDERSKI: Okay. I am taking them in a
23 different order, but I would be glad to take them in the order
24 you have them in there.

25 CHAIRMAN PENNOYER: Well, I don't care, it's

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1 just kind of.....

2 MR. SWIDERSKI: Okay. We first talked about
3 Baycrest, KEN-12 and then the next two are KAP-220 and KAP-221
4 (sic). Those are two parcels on Kodiak.

5 CHAIRMAN PENNOYER: Okay and those in our book
6 are a total of \$320,000. Okay, now how does this relate?

7 MR. SWIDERSKI: That's correct. And that's all
8 that the Council will be spending -- we'll be asking the
9 Council to spend is the 320. The Conservation Fund has agreed
10 to contribute an additional 631,000 to buy I believe it's 14
11 additional parcels because the sellers of KAP-220 and KAP-221
12 (sic) would only sell the package, the entire package.

13 MS. D. WILLIAMS: 226?

14 MR. RUE: 226, right.

15 MR. SWIDERSKI: I'm sorry, did I.....

16 MS. D. WILLIAMS: Right.

17 MR. SWIDERSKI: 220 and 226. I apologize. And
18 then the last two are.....

19 CHAIRMAN PENNOYER: I'm sorry, so the total is
20 631 including the 320, so that.....

21 MR. SWIDERSKI: No.

22 CHAIRMAN PENNOYER: Or in addition to the 320?

23 MR. SWIDERSKI: That's in addition to the 320.

24 CHAIRMAN PENNOYER: This says a total of 631

25 and.....

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1 MR. SWIDERSKI: The Conservation Fund is
2 contributing a total of 631.
3 MR. RUE: To pay for parcel 221, 235.....
4 CHAIRMAN PENNOYER: Oh, I got you.
5 MR. RUE:238, 239, that list of parcels
6 on page two of the resolution.
7 MR. SWIDERSKI: That's right.
8 MR. RUE: Is that right?
9 MR. SWIDERSKI: That's correct.
10 CHAIRMAN PENNOYER: Okay, so we still end up
11 with 220 and 226.
12 MR. SWIDERSKI: We will pay -- yes, we will end
13 up with all of them but we will only pay for 220 and 226.
14 CHAIRMAN PENNOYER: Okay, I got you.
15 MR. RUE: Right.
16 CHAIRMAN PENNOYER: And then USS-1894 ends up
17 with the Fish and Wildlife Service?
18 MR. SWIDERSKI: By we I meant the United States
19 or the.....
20 CHAIRMAN PENNOYER: State of Alaska.
21 MR. SWIDERSKI:State of Alaska.
22 CHAIRMAN PENNOYER: Okay.
23 MR. SWIDERSKI: As I recall and I don't -- of
24 the others -- of the two that the Council is paying for, 220
25 and 226, are going into the Department of Fish and Game, two of

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1 the others are going to the Department of Fish and Game and the
2 remainder are going to Fish and Wildlife Service.

3 CHAIRMAN PENNOYER: Okay.

4 MR. SWIDERSKI: And I'm -- I don't have a note
5 with me which -- in fact, it's in the resolution, actually,
6 that describes which one go to which. The State will get 235
7 and U.S. Survey 1790, all the rest will go to the Fish and
8 Wildlife Service.

9 CHAIRMAN PENNOYER: Okay.

10 MR. SWIDERSKI: And I might just add, as an
11 aside, both 220 and 226 are very important to the Department of
12 Fish and Game because they provide potential alternatives for
13 weir sites on the Ayakulik and Karluk Rivers to the existing
14 sites. We could actually place the weir there but we could
15 place the cabin for the weir there. Those are very important
16 sites.

17 The last two are KEN-1051 and 1052, the two Salamatof
18 parcels that would be acquired by the Fish and Wildlife Service
19 for 183,000.

20 CHAIRMAN PENNOYER: And where's the price in
21 the resolution on that?

22 MR. SWIDERSKI: It's all in one resolution, and
23 that is starting paragraph A -- it's actually in paragraph A
24 And then if you look.....

25 CHAIRMAN PENNOYER: I was looking at the price

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1 for 1051 and 1052.

2 MR. SWIDERSKI: It's on.....

3 MR. RUE: The price of those two parcels.

4 CHAIRMAN PENNOYER: Those two parcels.

5 MR. SWIDERSKI: It's 183,000 and it's on page

6 four of the resolution, paragraph A, sub (4).

7 CHAIRMAN PENNOYER: Okay.

8 MR. RUE: Right, got you.

9 MR. SWIDERSKI: And, in fact, paragraph A

10 identifies all of the money that the Council will expend.

11 CHAIRMAN PENNOYER: So that actually comes

12 back, then, to these individual points we had back here?

13 MR. SWIDERSKI: That's right.

14 CHAIRMAN PENNOYER: Baycrest at 500,000, CAP

15 220 -- 80 and the 240 and the 183.

16 MR. RUE: So for a total of 998, is that what

17 we're doing?

18 MR. SWIDERSKI: I think that's right.

19 MS. D. WILLIAMS: Mr. Chairman.

20 CHAIRMAN PENNOYER: Yes.

21 MS. D. WILLIAMS: I move that the Trustee

22 Council adopt the consolidated resolution that is before us.

23 MR. RUE: Second it.

24 CHAIRMAN PENNOYER: Moved and seconded to adopt

25 the consolidated resolution dealing with Kenai 12 -- KAP-220,

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1 KAP-226 and Kenai 1051 and 1052. Is there any further
2 discussion?

3 (No audible responses)

4 CHAIRMAN PENNOYER: Is there any objection to
5 the motion to adopt this resolution?

6 (No audible responses)

7 CHAIRMAN PENNOYER: Resolution, therefore, is
8 adopted. And thank you very much, Alex, I didn't mean to throw
9 a monkey wrench in it, I just.....

10 MR. SWIDERSKI: Oh, you didn't at all.

11 CHAIRMAN PENNOYER: You did a wonderful job of
12 getting it all together for us.

13 MS. D. WILLIAMS: Mr. Chairman, I just want to
14 recognize and commend the Conservation Fund for their role in
15 securing these properties and Brad Mickelson (ph) from the
16 Conservation Fund is here.

17 MR. RUE: I agree.

18 CHAIRMAN PENNOYER: Absolutely. Absolutely,
19 thank you. Made our part possible as well acquiring extra bang
20 for the bucks. Okay. Thank you. I think that takes us
21 through the small parcel part unless somebody has some
22 additional items to discuss under there.

23 Can we go to the Restoration Reserve options
24 discussion. And, Eric, do you want to take us through that.

25 MR. MYERS: This really more -- mostly a matter

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1 of just information. This is a process that is continuing,
2 there's no particular action that is being requested today.
3 What you have in your packet is a schedule of the Restoration
4 Reserve planning effort that is ongoing along with the most
5 recent innovation of an working draft document that reflects
6 some additional input from the Public Advisory Group. We have
7 not put this in any format yet for general public dissemination
8 and we'll, before doing so, give each of the Trustee agencies a
9 chance to review it to be certain that it conforms with the
10 views that the Council members have.

11 At this point it's essentially a cataloging of
12 questions and issues that describes the kinds of things that we
13 hope the public will be able to focus on and comment regarding
14 how the Restoration Reserve might be used. But I know that
15 there are questions that -- and issues that various Trustee
16 agencies have and in speaking earlier with Barry Roth I know
17 that the Department of Justice is interested in taking a look
18 at anything we put forward in a formal way. And so we hope
19 that we will have something closer to a draft for review by the
20 Trustee agencies in the beginning of January, but at this point
21 it's mostly there just to show you we're continuing to make
22 progress.

23 CHAIRMAN PENNOYER: So what action do you
24 require of the Council at this point?

25 MR. MYERS: Today? No action at this point.

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1 CHAIRMAN PENNOYER: But before anything goes
2 out you're going to get further review by the Council and the
3 agencies involved in the Council?

4 MR. MYERS: Absolutely.

5 CHAIRMAN PENNOYER: Okay. Have your options in
6 here taken into account the PAG recommendations already? Are
7 they already embodied in here? First draft?

8 MR. MYERS: They're -- in fact, if you look at
9 the minutes from the PAG meeting you will see very specifically
10 some of the comments that the PAG made, item-by-item, that have
11 been incorporated into this most recent iteration. And, I
12 guess, that's mostly all we want to do is make sure that you
13 were aware of the progress that was being made to this point.

14 CHAIRMAN PENNOYER: What would your timetable,
15 therefore, be to bring something back to us for another look?
16 How long do people have to get comments into you upon which to
17 base your next revised options that you're going to get out for
18 us to look at? What's the timetable on that?

19 MR. MYERS: Well, we're hopeful of being able
20 to get you something that looks quite a bit like this, but
21 formatted in a fashion that would be more appropriate for
22 public consumption. What we envision is some sort of a, say,
23 newsletter or tabloid format that would be more engaging for
24 your average member of the public to try and elicit public
25 comment. And so, in effect, what we're going to be doing is

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1 reformatting much of the content that you see here. So
2 actually it's not at all too early for people to be looking at
3 this an commenting if they think that they've got some specific
4 issues or concerns, but.....

5 CHAIRMAN PENNOYER: I didn't think it was too
6 early, but I was trying to find out when is too late?

7 MR. MYERS: Well, we will send, we will
8 distribute to the Trustee Council agencies, to the Trustee
9 Council members something, we hope, in early January that will
10 have the look and feel of a tabloid which will look, in
11 content-wise, will be very similar to what's here, so we hope
12 to be able to give you something in the first part of the new
13 year. And in terms of an absolute turnaround time on that, I
14 would have to consult further with Joe Hunt to know exactly
15 what timing he's looking for distribution. But I don't think
16 there's any imminent deadline that we're confronted with.

17 MR. WOLFE: Mr. Chair, I'm not clear. Now, the
18 tabloid is going to be for public consumption as well as the
19 Trustee Council review or.....

20 MR. MYERS: No, what I meant is we will put
21 together a draft that will have the look and feel of.....

22 MR. WOLFE: Okay. For internal.....

23 MR. MYERS: Yes, absolutely.

24 MR. WOLFE: Okay.

25 MR. RUE: Mr. Chair.

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1 CHAIRMAN PENNOYER: Yes.

2 MR. RUE: My assumption all along has been that
3 we've had these concepts that are laid out here and if we think
4 that there's some missing then we've all been free to feed our
5 ideas to Molly and Eric. Like if we think there's an idea
6 under governments that hasn't been properly highlighted now so
7 if they (indiscernible - interrupted).....

8 CHAIRMAN PENNOYER: Yeah, I guess that's

9 MR. RUE:each want to make sure.

10 CHAIRMAN PENNOYER: I was getting at that as
11 far the too late goes.....

12 MR. RUE: Yeah, I'm assuming.....

13 CHAIRMAN PENNOYER:because if we wait for
14 this final draft to get to us and there's still major
15 outstanding concerns then you've wasted a lot of time doing
16 that, so I kind of want to find out when we -- and I know that
17 there are some concerns of the way some things are phrased,
18 even though some of this has been around for a while not
19 everybody's seen it and I need to -- I think we kind of --
20 before you prepare a final draft for us all to look at I'd kind
21 of like to know when the deadline is for people to get their
22 next to final comments into you. And this is the holiday
23 season, so it's going to get real tough for the next two weeks.

24 MR. RUE: Could I ask -- could I address that
25 question? I would assume, and maybe you ought to tell us when,

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1 we ought to look through these concepts and if we think there's
2 certain sideboards, constraints we ought to set, one of us or a
3 number of us don't think that, for instance, endowed shares is
4 something we ever want to do, it's not an option, we ought to
5 tell people right now, that's off the table. And make sure
6 that everything that's in this list of ideas is on the table as
7 far as we're concerned and there's nothing missing. And I'd
8 ask, Eric, your question now, which is, when shall we tell you
9 if there's any things that you're thinking about that you've
10 identified that any one of use believes should not even be on
11 the table and/or conversely, something that you haven't
12 identified that we want specifically on the table, in concept,
13 rather than looking at a draft. Can we get a.....

14 MR. MYERS: Well, if I could, Mr. Chairman. I
15 guess, Veronica has been giving this more considered thought in
16 terms of the planning process, maybe you could get -- in terms
17 of the planning exercise that we're involved with, we are
18 hoping to be able to go forward and have, for example, public
19 workshops in February and March, but we still have quite a bit
20 of time between now and then, and certainly by then we would
21 want to have materials that we could distribute but we're not
22 looking at a mailing next week certainly, so I would say
23 sometime within the next, what, month? Next -- I mean, you
24 could perhaps give it a more specific time line.

25 MS. CHRISTMAN: The public meeting is in

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1 February, then you have to print this document and that takes a
2 little time. So I would say by the second week in January if
3 you had comments in, so that we would be in a position to
4 finalize a tabloid to be able to take to the graphic artist,
5 that would be reasonable.

6 MS. D. WILLIAMS: Mr. Chairman.

7 CHAIRMAN PENNOYER: Yes.

8 MS. D. WILLIAMS: The Federal trustees
9 certainly don't appreciate the importance of Justice review
10 this, so (indiscernible) Justice since this has implications
11 for legislation and authorizations and all kinds of things and
12 on a more national scale. Barry, do you think the second week
13 of January is a deadline Justice can keep reasonably?

14 MR. ROTH: With the fact that the government
15 first working day in January is January 5th as a practical
16 matter, I think, you know, I think the 14th of 15th getting
17 something back up here is a realistic time, because I don't
18 think anything realistically before that because the -- I mean
19 the 2nd is a Friday and, you know, because nothing's going to
20 happen till January. Almost nothing is going to happen between
21 now and the 5th of January.

22 MR. RUE: What will they have to review? Will
23 Justice have a draft for sure?

24 MR. ROTH: Justice has this.

25 MR. RUE: Has this, okay.

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1 MR. WOLFE: And that's all we go at this point.

2 CHAIRMAN PENNOYER: Okay. So the concept is
3 that the preliminary comments need to be in before the 14th of
4 January. Shortly after that we'll get a final draft to look at
5 before an actual public review distribution is undertaken.

6 MS. CHRISTMAN: It'll be formatted in such a
7 way that we present it to the public, so that's an
8 additional.....

9 CHAIRMAN PENNOYER: Right. I had one more
10 question in terms of things submitted then. Obviously if one
11 person says something in say, I don't like this, maybe
12 everybody does and there's been no discussion, so we probably
13 haven't covered all the bases simply by -- if four people write
14 in and say, we don't want endowed shares, obviously one veto
15 does it, but you might get a talk -- discuss something if you
16 got it out in the open. So if we send these comments in we're
17 probably still going to look at the draft when we get it back
18 and we're sort of reserving final judgment on what's in or out
19 until we actually look at the final draft, but we should get
20 our preliminary ideas in there anyway, I guess. Is that what
21 you're saying?

22 MS. D. WILLIAMS: Mr. Chairman, I certainly
23 endorse and underscore what Commissioner Rue said, whatever
24 goes out in this document should be things that are feasible.

25 MR. RUE: I.....

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1 MS. D. WILLIAMS: I was just agreeing,
2 wholeheartedly, with you, Frank and your approach.

3 MR. RUE: There's a fan here that's making it
4 hard to hear.

5 MR. WOLFE: Yeah.

6 MS. D. WILLIAMS: Yeah.

7 CHAIRMAN PENNOYER: All right. Okay, are we
8 all clear on that then, there's no action required except that
9 we all know we need to get comments in before the 14th of
10 January or by the 14th of January.

11 MR. ROTH: 15th.

12 CHAIRMAN PENNOYER: Thank you. By the 15th of
13 January, thank you. Okay. Does anybody have anything else to
14 bring up for the good of the order?

15 MR. MYERS: I would just simply note that in
16 your packet as informational items also there are a couple of
17 tabs there that you may wish to take a look at. We do have the
18 most recent information, I guess, proposal, if you will, from
19 the Kodiak Island Borough under the Chiniak Tab, which was
20 alluded to by Mayor Selby in his comments. Essentially it's a
21 revised version of what was a somewhat pared down version of
22 what was originally submitted by the community of Chiniak.

23 There's also a proposal that Seldovia Native
24 Association, Michael Beal was on line and referenced that as
25 well, so that you can see what -- and, again, there's no action

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1 being required but this is just for your information, what's
2 being proposed there.

3 And then another tab also identified as Bayview,
4 Incorporated which is a village corporation in the Lower Alaska
5 Peninsula which is just recently come forward with a
6 nomination. Again, no action required but they were, for one
7 reason or another, each significant items that we wanted to
8 make sure that you were aware of. You may be hearing from
9 individuals calling you or whatever.

10 CHAIRMAN PENNOYER: Thank you. Deborah.

11 MS. D. WILLIAMS: Mr. Chairman, a point of
12 comment for the public and then I'll make a motion. Because we
13 did have Tatitlek as an action item here I just want to tell
14 the public members who are watching or observing that we are
15 not taking that up because we realized in executive session
16 that there was information that we did not have that we needed
17 before we could go forward with discussion on Tatitlek.
18 Therefore, because of that fact and because we hope to get that
19 information in the next couple of days, Mr. Chairman, I would
20 move to recess with the plan that we will convene a meeting as
21 soon as possible. And we're targeting Tuesday right now?

22 MR. WOLFE: Tuesday, 10:00-10:30, that range;
23 is that possible?

24 CHAIRMAN PENNOYER: Possible for me.

25 MS. D. WILLIAMS: So recess until Tuesday at

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1 10:00 or 10:30. You will not be here? Everyone will be here
2 but Barry?

3 CHAIRMAN PENNOYER: I won't be here but
4 I'll.....

5 MS. D. WILLIAMS: In Juneau.

6 MR. RUE: That's four days from now, how do we
7 know where we're going to be in four days? Some of us don't
8 know.

9 CHAIRMAN PENNOYER: I'm under the assumption
10 that somebody will phone around, they get a reasonable time
11 within that general time frame the first three days of next
12 week.

13 MR. WOLFE: First two days of next week?

14 CHAIRMAN PENNOYER: First two days of next
15 week.

16 (Multiple voices)

17 CHAIRMAN PENNOYER: Okay, is there anything
18 further somebody wishes to bring up then?

19 (No audible responses)

20 CHAIRMAN PENNOYER: I would entertain a motion
21 to adjourn.

22 MS. D. WILLIAMS: Recess.

23 CHAIRMAN PENNOYER: Recess, I'm sorry.

24 MS. BROWN: Second.

25 CHAIRMAN PENNOYER: I tried, I tried. Okay, so

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1 I guess I chair the next (indiscernible - multiple voices)
2 nicely done. Okay, it's been moved that we recess this meeting
3 until early next week and seconded. Is there any discussion?

4 (No audible responses)

5 CHAIRMAN PENNOYER: I didn't think I'd get too
6 much.

7 MR. RUE: Great job.

8 CHAIRMAN PENNOYER: Is there any objection to
9 the recessing?

10 (No audible responses)

11 CHAIRMAN PENNOYER: I didn't think I'd get much
12 there either. This meeting is recessed until next week. Thank
13 you.

14 MS. D. WILLIAMS: Oh, one last final word,
15 happy holidays, everyone.

16 CHAIRMAN PENNOYER: Happy holidays, yes.

17 (Off record - 3:55 p.m.)

18 (MEETING RECESSED)

